



# Quarterly Business Review (QBR)

**July 30, 2013**

**10:00 am – 1:55 pm**

**Rates Hearing Room**

To Participate by Phone Please dial **888-431-3632**.

When prompted, enter access code **3134318#**.

Time	Min	Agenda Topic	Slide	Presenter
10:00	10	Review Agenda	2	Mary Hawken
10:10	30	CFO Spotlight	~	Nancy Mitman
<b>Financial Highlights</b>				
10:40	30	<ul style="list-style-type: none"> <li>Review of 3rd Quarter Financial Results</li> <li>Review of 3rd Quarter Forecast</li> </ul>	3-17	Mary Hawken, Cheryl Hargin, Danny Chen, Kyna Alders, Mai Truong
11:10	10	Slice Reporting	18-24	Craig Larson
11:20	10	Review of 3rd Quarter Capital Financial Results & Forecast	25-27	Kathy Rehmer, Kyna Alders
11:30	10	Capital Project Status Report	28-32	Dennis Naef
11:40	50	Lunch	~	~
<b>Other Agency Topics</b>				
12:30	20	Status of Debt Management Actions	33-40	Javier Fernandez, Jon Dull
12:50	20	Rate Case Status	41-47	Ray Bliven, Rebecca Fredrickson
<b>Operational Excellence</b>				
1:10	20	Wood Pole Recycling	48-78	Stephen Sander
1:30	20	Successful Continuous Improvement of Substation Construction Specifications	79-88	Lloyd Hill
1:50	5	Questions, Comments, Future Meeting Topics	~	Mary Hawken
1:55	~	Adjourn	~	~



## ***Financial Highlights***

## ***Financial Overview for FY 2013 through June 30, 2013***

### **▪ Agency**

- **The 3<sup>rd</sup> Quarter forecast for the end-of-year (EOY) Agency adjusted net revenue is \$75 million.**
  - This is \$54 million higher than the 2<sup>nd</sup> Quarter Review forecast, \$34 million higher than the start-of-year (SOY) forecast and \$48 million higher than the rate case forecast of \$27 million.
- Agency Adjusted Net Revenues through June are \$113 million, which is higher than the 2<sup>nd</sup> Quarter forecast.
- The net revenue to date reflects slightly lower streamflows compared to the SOY forecast, which uses average water. This has been offset somewhat with stronger prices than expected at 2<sup>nd</sup> Quarter in the wholesale electricity market.
- Some of the cost reductions are related to delays in hiring Federal and contract labor, specifically in operations, maintenance, and internal operations programs.

### **▪ Power Services**

- **The 3<sup>rd</sup> Quarter Review forecast for EOY net revenue is \$0 million.**
  - This is \$50 million higher than the 2<sup>nd</sup> Quarter Review forecast, \$17 million higher than the SOY forecast of (\$17) million and \$1 million higher than the rate case forecast for (\$2) million.
- The increase in net revenue relative to the 2<sup>nd</sup> Quarter forecast is due in large part to higher than expected streamflows and resulting increase in the net secondary revenue forecast, which has offset the lower-than-expected revenues from our preference customers.
- Operating expenses were lower as well, due primarily to spending less on program execution and internal costs than anticipated.
- BPA is expecting to receive approximately \$24.5 million for the EWEB portion of the Trojan spent fuel storage settlement with DOE.

## ***Financial Overview for FY 2013 through June 30, 2013***

### **▪ Transmission Services**

- **The 3<sup>rd</sup> Quarter Review forecast for EOY net revenue is \$75 million.**
  - This is \$3 million higher than the 2<sup>nd</sup> Quarter Review forecast, a \$6 million increase from the SOY forecast and \$46 million increase from the rate case.
  - The start-of-year estimate of net revenues for the fiscal year is \$69 million and the rate case forecast is \$29 million.
- The increase in the forecasted Net Revenues from the 2<sup>nd</sup> Quarter is due to lower projected operations expense.

**Federal Columbia River Power System (FCRPS)  
FY 2013 THIRD QUARTER REVIEW**

**Net Revenues and Reserves**

**Projection for FY 2013**



**July 26, 2013**

## 3<sup>rd</sup> Quarter Review – Executive Highlights

(\$ in Millions)

	A	B	C
	FY 2012 Actuals <sup>/2</sup>	FY 2013 Start of Year <sup>/2</sup>	FY 2013 Current Quarter Review <sup>/2</sup>
1. Revenues <sup>/1</sup>	3,380	3,381	3,432
2. Expenses <sup>/1</sup>	3,293	3,488	3,517
3. Net Revenues <sup>/1,3</sup>	87	(107)	(85) <sup>/7</sup>
4. Adjusted Net Revenue <sup>/4</sup>	128	51	75 <sup>/7</sup>
5. End of Year Financial Reserves <sup>/5</sup>	1,022	980	1,309 <sup>/7</sup>
6. BPA Accrued Capital Expenditures <sup>/6</sup>	664	995	782

### Footnotes

- <1 The actuals for Revenues, Expenses and Net Revenues are audited.
- <2 Does not reflect power "bookout" transactions.
- <3 Net revenues include the effects of non-federal debt management. An example of non-federal debt management is the refinancing of ENW debt.
- <4 Adjusted Net Revenue is calculated by adding Power Services and Transmission Services Net Revenues.
- <5 For fiscal year 2013, financial reserves consist of BPA cash, investments in U.S. Treasury market-based special securities and deferred borrowing.
- <6 Funded by borrowing from the U.S. Treasury.
- <7 There is uncertainty regarding the potential results that could occur by the end of the year, mainly a result of water conditions, which may affect net secondary sales, and short-term market prices.

# ***Monthly Financial Reports***



Report ID: 0023FY13

Requesting BL: TRANSMISSION BUSINESS UNIT

Unit of Measure: \$ Thousands

**QBR Forecast Analysis: Transmission Services**

Through the Month Ended June 30, 2013

Preliminary/ Unaudited

Run Date/Time: July 17, 2013/ 12:02

Data Source: EPM Data Warehouse

% of Year Elapsed = 75%

		A	B	C
		FY 2013		FY 2013
		2nd Quarter Forecast	Current EOY Forecast	Current EOY Forecast - 2nd Quarter Forecast
<b>Operating Revenues</b>				
1	Sales	\$ 819,580	\$ 804,463	\$ (15,117)
2	Miscellaneous Revenues	42,576	50,348	7,773
3	Inter-Business Unit Revenues	101,808	109,110	7,302
4	<b>Total Operating Revenues</b>	<b>963,965</b>	<b>963,922</b>	<b>(43)</b>
<b>Operating Expenses</b>				
5	Transmission Operations	127,443	123,016	(4,426)
6	Transmission Maintenance	149,115	148,808	(307)
7	Transmission Engineering	40,934	42,493	1,559
8	Trans Services Transmission Acquisition and Ancillary Services	153,830	152,195	(1,635)
9	Transmission Reimbursables	11,694	11,725	31
	BPA Internal Support			
10	Additional Post-Retirement Contribution	17,821	17,821	-
11	Agency Services G&A	60,494	59,802	(692)
12	Other Income, Expenses & Adjustments	443	618	174
13	Depreciation & Amortization	202,680	202,680	-
14	<b>Total Operating Expenses</b>	<b>764,454</b>	<b>759,159</b>	<b>(5,295)</b>
15	<b>Net Operating Revenues (Expenses)</b>	<b>199,511</b>	<b>204,763</b>	<b>5,252</b>
<b>Interest Expense and (Income)</b>				
16	Interest Expense	171,946	175,116	3,170
17	AFUDC	(30,000)	(31,400)	(1,400)
18	Interest Income	(14,472)	(14,067)	405
19	<b>Net Interest Expense (Income)</b>	<b>127,474</b>	<b>129,649</b>	<b>2,175</b>
20	<b>Net Revenues (Expenses)</b>	<b>\$ 72,037</b>	<b>\$ 75,114</b>	<b>\$ 3,077</b>

Report ID: 0023FY13

Requesting BL: TRANSMISSION BUSINESS UNIT

Unit of Measure: \$ Thousands

**Transmission Services Summary Statement of Revenues and Expenses**

Through the Month Ended June 30, 2013

Preliminary/ Unaudited

Run Date/Time: July 17, 2013/ 12:02

Data Source: EPM Data Warehouse

% of Year Elapsed = 75%

	FY 2012		FY 2013			FY 2013
	Actuals: FYTD	Actuals	Rate Case	SOY Budget	Current EOY Forecast	Actuals: FYTD
<b>Operating Revenues</b>						
1 Sales	\$ 591,627	\$ 790,969	\$ 844,331	\$ 821,638	\$ 804,463	\$ 602,343
2 Miscellaneous Revenues	30,628	30,263	31,802	38,615	50,348	33,094
3 Inter-Business Unit Revenues	91,196	143,909	93,888	103,067	109,110	95,144
4 <b>Total Operating Revenues</b>	<b>713,452</b>	<b>965,141</b>	<b>970,021</b>	<b>963,319</b>	<b>963,922</b>	<b>730,581</b>
<b>Operating Expenses</b>						
5 Transmission Operations	87,731	121,792	133,590	131,248	123,016	85,264
6 Transmission Maintenance	91,863	135,377	150,831	153,278	148,808	102,586
7 Transmission Engineering	32,877	46,111	32,803	41,855	42,493	29,082
8 Trans Services Transmission Acquisition and Ancillary Services	102,079	152,809	142,079	147,825	152,195	116,534
9 Transmission Reimbursables	15,032	26,722	9,914	9,682	11,725	23,816
BPA Internal Support						
10 Additional Post-Retirement Contribution	12,932	17,243	17,821	17,821	17,821	13,365
11 Agency Services G&A	41,339	57,065	60,961	58,357	59,802	43,380
12 Other Income, Expenses & Adjustments	31	(280)	-	(2,297)	618	618
13 Depreciation & Amortization	142,096	189,811	218,124	196,980	202,680	150,478
14 <b>Total Operating Expenses</b>	<b>525,979</b>	<b>746,650</b>	<b>766,122</b>	<b>754,748</b>	<b>759,159</b>	<b>565,123</b>
15 <b>Net Operating Revenues (Expenses)</b>	<b>187,473</b>	<b>218,491</b>	<b>203,899</b>	<b>208,572</b>	<b>204,763</b>	<b>165,458</b>
<b>Interest Expense and (Income)</b>						
16 Interest Expense	132,707	180,083	228,887	190,357	175,116	128,732
17 AFUDC	(27,840)	(37,010)	(32,255)	(33,400)	(31,400)	(23,933)
18 Interest Income	(12,441)	(13,293)	(21,467)	(17,260)	(14,067)	(9,510)
19 <b>Net Interest Expense (Income)</b>	<b>92,426</b>	<b>129,781</b>	<b>175,165</b>	<b>139,697</b>	<b>129,649</b>	<b>95,288</b>
20 <b>Net Revenues (Expenses)</b>	<b>\$ 95,047</b>	<b>\$ 88,710</b>	<b>\$ 28,734</b>	<b>\$ 68,875</b>	<b>\$ 75,114</b>	<b>\$ 70,169</b>

<1 Although the forecasts in this report are presented as point estimates, BPA operates a hydro-based system that encounters much uncertainty regarding water supply and wholesale market prices. These uncertainties, among other factors, may result in large range swings +/- impacting the final results in revenues, expenses, and cash reserves.

Report ID: 0063FY13

**Transmission Services Revenue Detail by Product**

Run Date/Time: July 17, 2013 12:02

Requesting BL: TRANSMISSION BUSINESS UNIT

Through the Month Ended June 30, 2013

Data Source: EPM Data Warehouse

Unit of Measure: \$ Thousands

Preliminary/ Unaudited

% of Year Elapsed = 75%

					A	B	C	D
					FY 2013			FY 2013
					Rate Case	SOY Budget	Current EOY Forecast	Actuals
<b>Transmission Services Operating Revenues</b>								
<b>NETWORK</b>								
1	PTP - LONG TERM				\$ 376,256	\$ 367,184	\$ 368,627	\$ 276,273
2	NETWORK INTEGRATION				132,022	126,030	120,360	92,182
3	INTEGRATION OF RESOURCES				25,679	22,191	22,191	16,650
4	FORMULA POWER TRANSMISSION				25,629	25,453	25,451	19,089
5	PTP - SHORT TERM				28,069	25,544	20,235	15,809
6	<b>TOTAL: NETWORK</b>				<b>587,655</b>	<b>566,403</b>	<b>556,865</b>	<b>420,003</b>
<b>ANCILLARY SERVICES</b>								
7	SCHEDULING, SYSTEM CONTROL & DISPATCH				95,881	93,798	92,534	69,474
8	OPERATING RESERVES - SPIN & SUPP				45,417	60,567	57,845	43,717
9	VARIABLE RES BALANCING				66,229	50,555	52,905	39,740
10	REGULATION & FREQ RESPONSE				6,513	6,550	6,435	4,907
11	ENERGY & GENERATION IMBALANCE				-	4,776	6,459	5,462
12	DISPATCHABLE RES BALANCING				-	3,545	3,139	2,031
13	<b>TOTAL: ANCILLARY SERVICES</b>				<b>214,040</b>	<b>219,791</b>	<b>219,317</b>	<b>165,330</b>
<b>INTERTIE</b>								
14	SOUTHERN INTERTIE LONG TERM				92,200	92,250	92,413	69,112
15	SOUTHERN INTERTIE SHORT TERM				4,463	5,089	6,262	3,750
16	MONTANA INTERTIE LONG TERM				115	115	115	86
17	MONTANA INTERTIE SHORT TERM				-	-	-	129
18	<b>TOTAL: INTERTIE</b>				<b>96,777</b>	<b>97,454</b>	<b>98,790</b>	<b>73,078</b>

Report ID: 0063FY13

**Transmission Services Revenue Detail by Product**

Run Date/Time: July 17, 2013 12:02

Requesting BL: TRANSMISSION BUSINESS UNIT

Through the Month Ended June 30, 2013

Data Source: EPM Data Warehouse

Unit of Measure: \$ Thousands

Preliminary/ Unaudited

% of Year Elapsed = 75%

					A	B	C	D
					FY 2013			FY 2013
					Rate Case	SOY Budget	Current EOY Forecast	Actuals
<b>Transmission Services Operating Revenues</b>								
<b>NETWORK</b>								
1	PTP - LONG TERM				\$ 376,256	\$ 367,184	\$ 368,627	\$ 276,273
2	NETWORK INTEGRATION				132,022	126,030	120,360	92,182
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5	PTP - SHORT TERM				28,069	25,544	20,235	15,809
6	<b>TOTAL: NETWORK</b>				<b>587,655</b>	<b>566,403</b>	<b>556,865</b>	<b>420,003</b>
<b>ANCILLARY SERVICES</b>								
7	SCHEDULING, SYSTEM CONTROL & DISPATCH				95,881	93,798	92,534	69,474
8	OPERATING RESERVES - SPIN & SUPP				45,417	60,567	57,845	43,717
9	VARIABLE RES BALANCING				66,229	50,555	52,905	39,740
10	REGULATION & FREQ RESPONSE				6,513	6,550	6,435	4,907
11	ENERGY & GENERATION IMBALANCE				-	4,776	6,459	5,462
12	DISPATCHABLE RES BALANCING				-	3,545	3,139	2,031
13	<b>TOTAL: ANCILLARY SERVICES</b>				<b>214,040</b>	<b>219,791</b>	<b>219,317</b>	<b>165,330</b>
<b>INTERTIE</b>								
14	SOUTHERN INTERTIE LONG TERM				92,200	92,250	92,413	69,112
15	SOUTHERN INTERTIE SHORT TERM				4,463	5,089	6,262	3,750
16	MONTANA INTERTIE LONG TERM				115	115	115	86
17	MONTANA INTERTIE SHORT TERM				-	-	-	129
18	<b>TOTAL: INTERTIE</b>				<b>96,777</b>	<b>97,454</b>	<b>98,790</b>	<b>73,078</b>

Report ID: 0021FY13

Requesting BL: POWER BUSINESS UNIT

Unit of measure: \$ Thousands

**QBR Forecast Analysis: Power Services**

Through the Month Ended June 30, 2013

Preliminary/ Unaudited

Run Date/Time: July 17, 2013 12:02

Data Source: EPM Data Warehouse

% of Year Elapsed = 75%

		A	B	C
		FY 2013		FY 2013
		2nd Quarter Forecast	Current EOY Forecast	Current EOY Forecast - 2nd Quarter Forecast
<b>Operating Revenues</b>				
1	Gross Sales (excluding bookout adjustment) <Note 2	\$ 2,434,090	\$ 2,457,974	\$ 23,884
2	Bookout Adjustment to Sales	(49,769)	(58,870)	(9,101)
3	Miscellaneous Revenues	29,094	26,544	(2,550)
4	Inter-Business Unit	142,432	140,828	(1,603)
5	U.S. Treasury Credits	91,249	92,777	1,529
6	<b>Total Operating Revenues</b>	<b>2,647,095</b>	<b>2,659,253</b>	<b>12,158</b>
<b>Operating Expenses</b>				
	Power System Generation Resources			
	Operating Generation Resources			
7	Columbia Generating Station	335,298	330,147	(5,151)
8	Bureau of Reclamation	128,691	128,691	-
9	Corps of Engineers	215,700	215,700	-
10	Long-term Contract Generating Projects	25,258	23,490	(1,768)
11	Operating Generation Settlement Payment	22,121	22,121	-
12	Non-Operating Generation	2,216	(22,400)	(24,616)
13	Gross Contracted Power Purchases and Aug Power Purchases	191,882	191,973	91
14	Bookout Adjustment to Power Purchases	(49,769)	(58,870)	(9,101)
15	Residential Exchange/IOU Settlement Benefits <Note 2	203,513	202,689	(824)
16	Renewables	35,140	36,140	1,000
17	Generation Conservation	45,436	41,396	(4,040)
18	<b>Subtotal Power System Generation Resources</b>	<b>1,155,487</b>	<b>1,111,077</b>	<b>(44,410)</b>
19	Power Services Transmission Acquisition and Ancillary Services	156,861	164,499	7,638
20	Power Non-Generation Operations	85,059	84,121	(938)
21	Fish and Wildlife/USF&W/Planning Council/Environmental Requirements	282,186	282,194	8
	BPA Internal Support			
22	Additional Post-Retirement Contribution	17,821	17,821	-
23	Agency Services G&A	54,256	53,949	(308)
24	Other Income, Expenses & Adjustments	720	702	(19)
25	Non-Federal Debt Service	519,599	518,504	(1,095)
26	Depreciation & Amortization	218,103	218,978	875
27	<b>Total Operating Expenses</b>	<b>2,490,094</b>	<b>2,451,844</b>	<b>(38,250)</b>
28	<b>Net Operating Revenues (Expenses)</b>	<b>157,002</b>	<b>207,409</b>	<b>50,408</b>
<b>Interest Expense and (Income)</b>				
29	Interest Expense	234,816	235,738	922
30	AFUDC	(11,345)	(11,235)	110
31	Interest Income	(15,673)	(16,617)	(944)
32	<b>Net Interest Expense (Income)</b>	<b>207,798</b>	<b>207,886</b>	<b>88</b>
33	<b>Net Revenues (Expenses)</b>	<b>\$ (50,796)</b>	<b>\$ (476)</b>	<b>\$ 50,320</b>

Report ID: 0021FY13  
 Requesting BL: POWER BUSINESS UNIT  
 Unit of measure: \$ Thousands

**Power Services Summary Statement of Revenues and Expenses**  
 Through the Month Ended June 30, 2013  
 Preliminary/ Unaudited

Run Date/Time: July 17, 2013 12:02  
 Data Source: EPM Data Warehouse  
 % of Year Elapsed = 75%

	FY 2012		FY 2013		FY 2013	
	Actuals: FYTD	Actuals	Rate Case	SOY Budget	Current EOY Forecast	Actuals: FYTD
<b>Operating Revenues</b>						
1 Gross Sales (excluding bookout adjustment) <Note 2	\$ 1,877,369	\$ 2,450,595	\$ 2,501,672	\$ 2,407,477	\$ 2,457,974	\$ 1,901,753
2 Bookout Adjustment to Sales	(53,094)	(61,972)	-	-	(58,870)	(58,870)
3 Miscellaneous Revenues	18,707	26,412	26,335	27,181	26,544	19,353
4 Inter-Business Unit	97,813	134,716	131,078	138,442	140,828	107,682
5 U.S. Treasury Credits	61,847	81,583	100,447	85,999	92,777	70,523
6 <b>Total Operating Revenues</b>	<b>2,002,641</b>	<b>2,631,334</b>	<b>2,759,531</b>	<b>2,659,099</b>	<b>2,659,253</b>	<b>2,040,440</b>
<b>Operating Expenses</b>						
Power System Generation Resources						
Operating Generation Resources						
7 Columbia Generating Station	204,531	292,636	345,945	338,267	330,147	260,560
8 Bureau of Reclamation	64,436	89,005	119,891	132,391	128,691	88,203
9 Corps of Engineers	148,238	206,967	215,700	215,700	215,700	151,555
10 Long-term Contract Generating Projects	19,566	25,869	25,831	26,008	23,490	16,655
11 Operating Generation Settlement Payment	14,946	20,437	22,148	20,785	22,121	16,770
12 Non-Operating Generation	1,598	2,153	1,948	2,316	(22,400)	1,695
13 Gross Contracted Power Purchases and Aug Power Purchases	166,886	205,350	164,905	119,364	191,973	185,384
14 Bookout Adjustment to Power Purchases	(53,094)	(61,972)	-	-	(58,870)	(58,870)
15 Residential Exchange/IOU Settlement Benefits <Note 2	160,938	203,712	201,760	203,200	202,689	159,241
16 Renewables	26,312	34,018	38,142	38,140	36,140	24,840
17 Generation Conservation	27,351	37,505	47,850	47,850	41,396	24,157
18 <b>Subtotal Power System Generation Resources</b>	<b>781,707</b>	<b>1,055,679</b>	<b>1,184,120</b>	<b>1,144,021</b>	<b>1,111,077</b>	<b>870,190</b>
19 Power Services Transmission Acquisition and Ancillary Services	127,774	175,873	157,185	158,498	164,499	122,587
20 Power Non-Generation Operations	56,513	79,919	90,255	89,582	84,121	55,222
21 Fish and Wildlife/USF&W/Planning Council/Environmental Requirements	206,035	280,197	281,639	283,157	282,194	199,710
BPA Internal Support						
22 Additional Post-Retirement Contribution	12,932	17,243	17,821	17,243	17,821	13,365
23 Agency Services G&A	37,702	52,789	52,662	52,586	53,949	38,068
24 Other Income, Expenses & Adjustments	362	107	-	-	702	702
25 Non-Federal Debt Service	404,524	561,308	541,586	520,504	518,504	379,492
26 Depreciation & Amortization	146,804	199,286	214,327	211,403	218,978	165,227
27 <b>Total Operating Expenses</b>	<b>1,774,353</b>	<b>2,422,400</b>	<b>2,539,594</b>	<b>2,476,994</b>	<b>2,451,844</b>	<b>1,844,563</b>
28 <b>Net Operating Revenues (Expenses)</b>	<b>228,288</b>	<b>208,934</b>	<b>219,937</b>	<b>182,105</b>	<b>207,409</b>	<b>195,877</b>
<b>Interest Expense and (Income)</b>						
29 Interest Expense	152,268	208,884	251,792	224,430	235,738	173,243
30 AFUDC	(11,099)	(8,835)	(13,592)	(13,410)	(11,235)	(8,901)
31 Interest Income	(23,011)	(30,301)	(16,756)	(11,500)	(16,617)	(11,129)
32 <b>Net Interest Expense (Income)</b>	<b>118,159</b>	<b>169,748</b>	<b>221,444</b>	<b>199,520</b>	<b>207,886</b>	<b>153,213</b>
33 <b>Net Revenues (Expenses)</b>	<b>\$ 110,129</b>	<b>\$ 39,185</b>	<b>\$ (1,507)</b>	<b>\$ (17,415)</b>	<b>\$ (476)</b>	<b>\$ 42,664</b>

Power Services ANR as-of 3rd Quarter Forecast FY2013 (in Millions) (\$0.5)

ANR = \$-0.5		
CRAC: ANR ≤ (\$185.5)	No CRAC or DDC	DDC: ANR ≥ \$564.5

<Note 3

- <1 Although the forecasts in this report are presented as point estimates, BPA operates a hydro-based system that encounters much uncertainty regarding water supply and wholesale market prices. These uncertainties, among other factors, may result in large range swings +/- impacting the final results in revenues, expenses, and cash reserves.
- <2 The Residential Exchange Program expenses reflect the Scheduled Amount of REP benefit payments established in the 2012 REP Settlement Agreement. The Scheduled Amount of REP benefit payments incorporates a \$76,537,617 reduction in REP benefits to provide Refund Amount payments to COUs. The Refund Amount returned to the COUs is reflected through a reduction in the Gross Sales amount.
- <3 Accumulated Net Revenue (ANR) for 2013 is the current forecast of Power Services Net Revenue for 2013. The Cost Recovery Adjustment Clause (CRAC) is an upward adjustment to certain rates that would apply during FY2014. The Dividend Distribution Clause (DDC) is a downward adjustment to certain rates that would apply during FY2014. For more information on ANR, CRAC or DDC, please refer to pages 39-49 of the 2014 Wholesale Power and Transmission Rate Adjustment Proceeding (BP-14), Appendix A: Power Rate Schedules (BP-14-A-03-AP01).  
<http://www.bpa.gov/Finance/RateCases/BP-14RateAdjustmentProceeding/MeetingsandWorkshops/BP-14%20Final%20Proposal/BP-14-A-03-AP01.pdf>

Report ID: 0064FY13

**Power Services Detailed Statement of Revenues by Product**

Run Date\Time: July 17, 2013 12:02

Requesting BL: POWER BUSINESS UNIT

Through the Month Ended June 30, 2013

Data Source: EPM Data Warehouse

Unit of Measure: \$ Thousands

Preliminary/ Unaudited

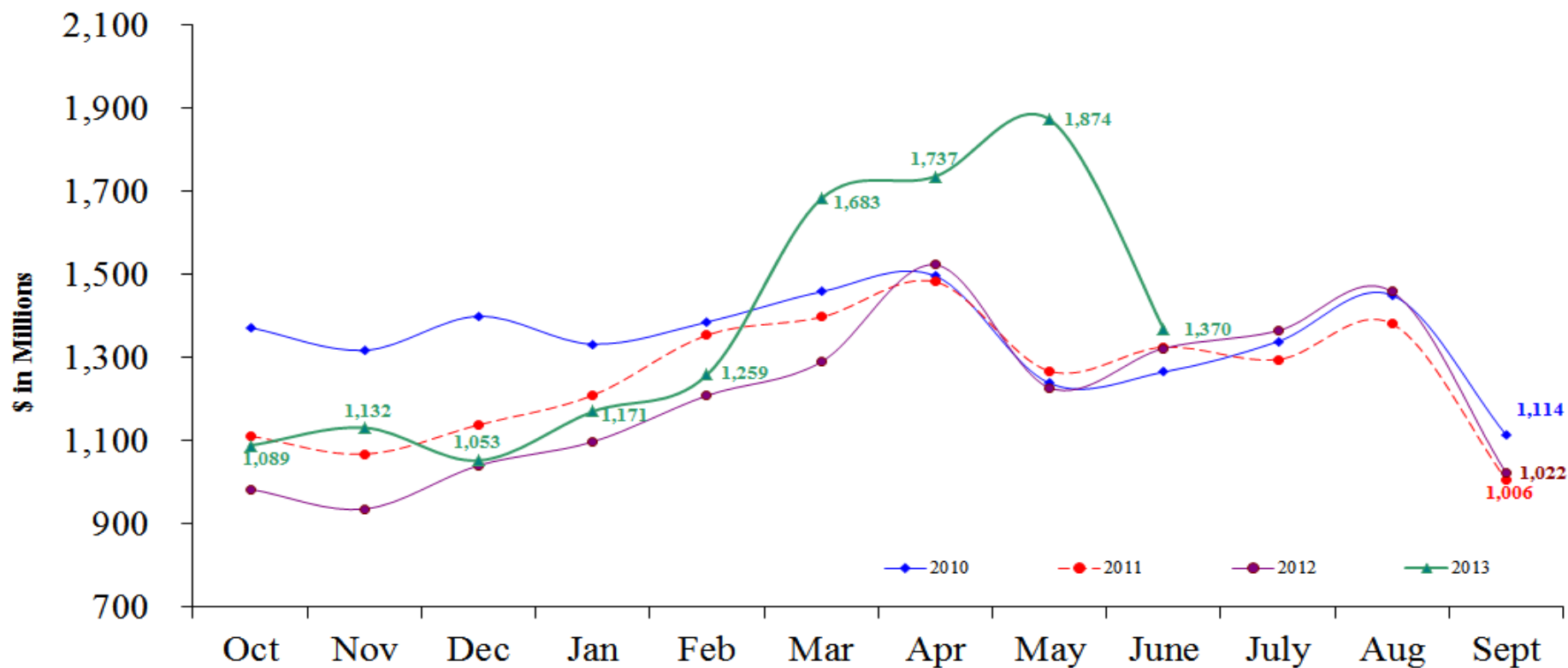
% of Year Elapsed = 75%

		A	B	C	D
		FY 2013		FY 2013	FY 2013
		Rate Case	SOY Budget	Actuals	Actuals per Rate Case
<b>Operating Revenues</b>					
<b>Gross Sales (excluding bookout adjustment)</b>					
<b>PF Tier 1 Revenues</b>					
<b>Load Following</b>					
1	Composite	\$ 1,049,506	\$ 1,049,506	\$ 785,379	75%
2	Non-Slice	(208,995)	(208,995)	(156,398)	75%
3	Load Shaping	(12,268)	(3,792)	(20,688)	169%
4	Demand	61,269	60,262	24,017	39%
5	Discounts / Fees	(44,009)	(44,009)	(18,992)	43%
6	RSS / RSC	240	240	383	160%
7	REP Refund	(33,036)	(33,036)	(24,777)	75%
8	Other	-	-	(153)	0%
9	<b>Sub-Total: Load Following</b>	812,707	820,176	588,771	72%
<b>Block</b>					
10	Composite	597,416	597,416	452,231	76%
11	Non-Slice	(118,967)	(118,967)	(90,056)	76%
12	Load Shaping	1,012	858	20,574	2032%
13	Demand	-	-	-	0%
14	Discounts / Fees	(4,963)	(4,963)	(6,298)	127%
15	RSS / RSC	-	-	-	0%
16	REP Refund	(21,459)	(21,459)	(16,095)	75%
17	Other	-	-	(238)	0%
18	<b>Sub-Total: Block</b>	453,039	452,885	360,119	79%
<b>Slice</b>					
19	Composite	629,081	629,081	471,813	75%
20	Slice	-	-	-	0%
21	Discounts / Fees	(3,277)	(3,277)	(2,243)	68%
22	REP Refund	(22,042)	(22,042)	(16,531)	75%
23	Other	-	-	-	0%
24	<b>Sub-Total: Slice</b>	603,762	603,762	453,039	75%
25	<b>PF Tier 2 Revenues</b>	24,123	24,123	18,044	75%
26	<b>NR Revenues</b>	-	-	-	0%
27	<b>IP Revenues</b>	108,334	101,772	74,589	69%
28	<b>FPS Revenues</b>	461,508	374,584	374,023	81%
29	<b>Other Revenues</b>	38,199	30,175	33,167	87%
30	<b>Gross Sales (excluding bookout adjustment)</b>	2,501,672	2,407,477	1,901,753	76%
31	<b>Bookout Adjustment to Sales</b>	-	-	(58,870)	0%
32	<b>Miscellaneous Revenues</b>	26,335	27,181	19,353	73%
33	<b>Inter-Business Unit</b>	131,078	138,442	107,682	82%
34	<b>U.S. Treasury Credits</b>	100,447	85,999	70,523	70%
35	<b>Total Operating Revenues</b>	<b>2,759,531</b>	<b>2,659,099</b>	<b>2,040,440</b>	<b>74%</b>



# Financial Reserves

Reserves as of the end of June 2013 are \$1,370 million

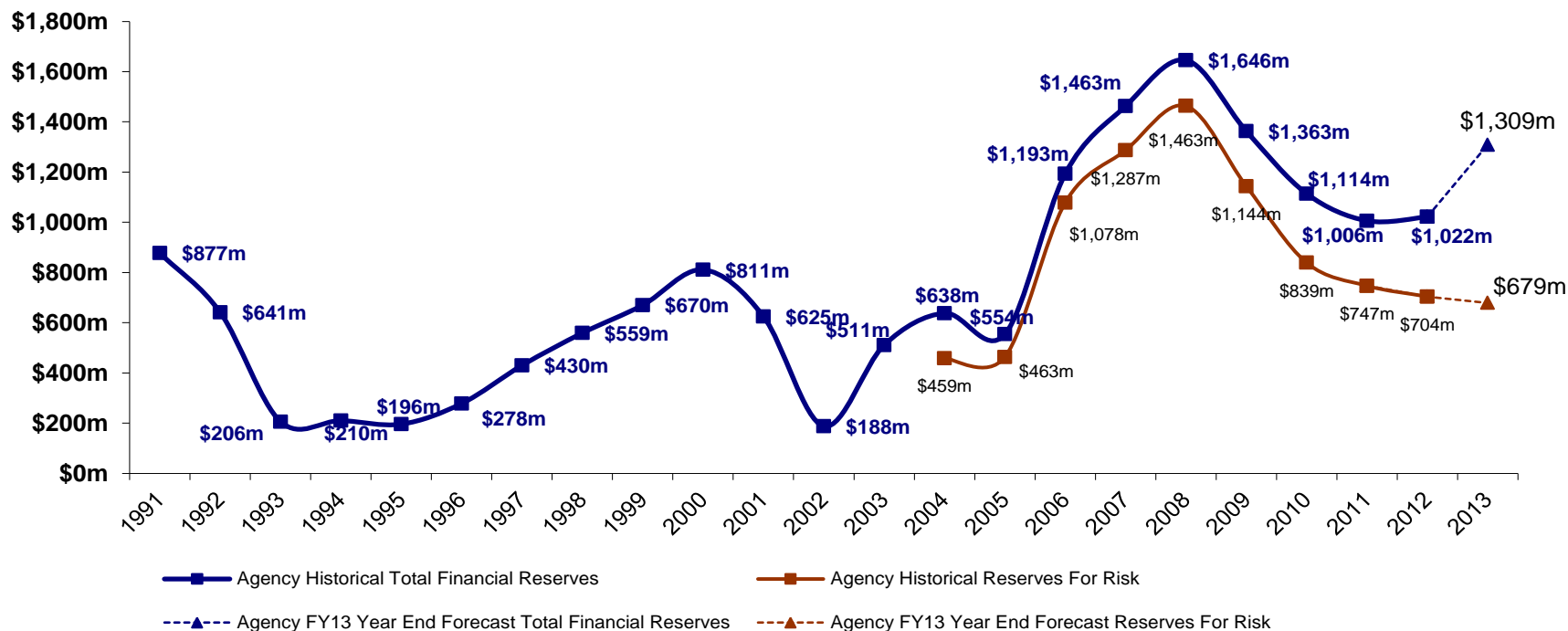


*Unaudited*



# ***BPA Financial Reserves FY 1991 – 2012 and estimated FY 2013***

## ***Financial Reserves***



Q3 End of FY13 Reserve Estimates			
	Power	Trans	Agency
Estimated FY13 Total Reserves	\$707m	\$602m	\$1,309m
Less: Estimated FY13 Reserves not for Risk	\$508m	\$122m	\$629m
Estimated FY13 Reserves for Risk	\$199m	\$480m	\$679m

- Total Financial Reserves comprise BPA cash, investments in U.S. Treasury market-based special securities and deferred borrowing. Radio Spectrum funds are not included in the reserve balances shown above.
- Total Financial Reserves are separated for rate case planning purposes into two categories; Reserves For Risk and Reserves Not For Risk. Reserves Not For Risk comprise Funds Held For Others and Capital Funds drawn in advance of spending such as PrePay funds. These funds are set aside as Reserves Not For Risk in the rate setting process.
- Fiscal 1991 through 2012 reserves data are all BPA-approved Agency financial information. Fiscal 2013 reserves data are based on the FY2013 third quarter review and are not BPA-approved financial information.

## ***Slice Reporting***

Craig Larson  
Public Utilities Specialist

## Q3 Forecast of FY 2013 Slice True-Up Adjustment

	<b>FY 2013 Forecast \$ in thousands</b>
February 5, 2013 First Quarter Business Review	(\$6,716)
April 30, 2013 Second Quarter Business Review	(\$7,795)
<b>July 30, 2013</b> <b>Third Quarter Business Review</b>	<b>(\$18,549)</b>
November 5, 2013 Fourth Quarter Business Review	
Actual Slice True-Up Adjustment Charge/Credit (negative amount = credit on bill)	

## Summary of Differences From Q3 Forecast to FY 2013 (BP-12)

#		Composite Cost Pool True-Up Table Reference	Q3 – FY 13 \$ in thousands
1	Total Expenses	Row 118	(\$70,764)
2	Total Revenue Credits	Rows 137 + 146	(\$3,037)
3	Minimum Required Net Revenue	Row 156	\$446
4	TOTAL Composite Cost Pool (1 - 2 + 3) (\$70.764M) – (\$03.037M) + \$0.446M = (\$67.281M)	Row 158	(\$67,281)
5	TOTAL in line 4 divided by <u>0.9740799</u> sum of TOCAs (\$67,281M) / ( <u>0.9740799</u> ) = (\$69.072M)	Row 163	(\$69,072)
6	<b>Q3 Forecast of FY 13 True-up Adjustment</b> <b>26.85407 percent of Total in line 5</b> <b>.2685407 * (\$69,072M) = (\$18.549M)</b>	Row 164	<b>(\$18,549)</b>

# Lower Level Differences

## From Q3 Forecast to FY 2013 (BP-12)

#	Line Item of Values Changed Over \$5M	Composite Cost Pool True-Up Table Reference	Q3 – FY 2013 Rate Case (\$ in thousands)
1	Columbia Generating Station (WNP 2)	Row 4	\$ (15,798)
2	Bureau of Reclamation	Row 5	\$ 8,800
3	Trojan Decomissioning	Row 15	\$ (24,500)
4	Gross Other Power Purchases	Row 21	\$ 7,775
5	Renewables R&D	Row 33	\$ (5,939)
6	Power R&D	Row 63	\$ 5,925
7	WNP-1 DEBT SVC	Row 96	\$ (14,488)
8	WNP-3 DEBT SVC	Row 97	\$ (5,126)
9	Net Interest Expense	Row 113	\$ (16,259)
10	Generation Inputs for Ancillary & Other Rev.	Row 121	\$ 9,751
11	4(h)(10)(c) credit	Row 123	\$ (7,669)
12	DSI Revenue Credit	Row 145	\$ (6,637)
13	Amortization	Row 152	\$ 5,711
14	Non-Federal Interest Expense (prepay program)	Row 152a	\$ 7,653
15	Prepayment Credits	Row 152b	\$ (12,750)

# Contra-Expense and Reinvestments of Green Energy Premiums

## Summary of Contra Expense (carry over from Fiscal Year 2012) and reinvestments

		(\$000)	(\$000)
Description on Composite Cost Pool True-Up Table	Reference - Composite Cost Pool True-Up Table	Rate Period	RATE CASE FY2013
Contra Expense - Final Rate Case estimate of Green Energy Premium revenues remaining for reinvestment at the end of FY 2011	Row 34	\$ (5,249)	\$ (2,625)
Contra Expense - Actual final amount of Green Energy Premium revenues remaining for reinvestment at the end of FY 2011 <sup>Note 1</sup>	Row 34	\$ (6,485)	\$ (3,243)
Reinvestment Totals from FY 2012	Row 34	\$ 2,692	
Remaining Contra Expense in FY 2013 (carry over from FY2012)	Row 34	\$ (3,793)	
<b>Actual Projects</b>		<b>Actuals FY2013</b>	<b>Forecast for FY2013</b>
<u>Eligible Reinvestments so far in 2013</u>			
<b>SUBTOTAL - Power R&amp;D - Other eligible projects</b>	Row 63	\$ 636	\$ 868
Power R&D - Smart Grid @ 75% of actuals <sup>Note 2</sup>	Row 63	\$ 789	\$ 1,275
Operations Planning - WIT	Row 60	\$ 464	\$ 646
<b>Reinvestment Totals for fiscal year 2013</b>		\$ 1,889	\$ 2,789
<b>Contra Expense to date for Fiscal year 2013</b>		\$ (1,889)	
Note 1: The Actual Contra Expense is limited to Actual reinvestments			
Note 2: This is 75% of the total amount			

# Composite Cost Pool Interest Credit

Allocation of Interest Earned on the Bonneville Fund		(\$ in thousands)	
		<u>Q2 2013</u>	<u>Q3 2013</u>
1	Reserves Prior to FY 2002	570,255	570,255
2	Adjustments for pre-2002 Items	-	-
3	Reserves for Composite Cost Pool (Line 1 + Line 2)	570,255	570,255
4	Composite Interest Rate	2.48%	2.24%
5	Composite Interest Credit	(14,169)	(12,800)
6	Prepay Offset Credit	-	(6,415)
7	Total Interest Credit for Power Services	(15,673)	(16,620)
8	Non-Slice Interest Credit (Line 7 - (Line 5+ 6))	(1,504)	2,595

# Net Interest Expense in Slice True-Up Forecast

	<i>\$\$ in thousands</i> <b><u>2013 Rate Case</u></b>	<i>\$\$ in thousands</i> <b><u>Q3 Forecast</u></b>
▪ Federal Appropriation	\$222,715	\$218,106
▪ Capitalization Adjustment	(\$45,937)	(\$45,937)
▪ Borrowings from US Treasury	\$75,015	\$55,916
▪ Prepay Interest Expense	<u>\$ 0</u>	<u>\$ 7,653</u>
▪ Interest Expense	\$251,793	\$235,738
▪ AFUDC	(\$13,592)	( \$11,235)
▪ Interest Income (composite)	(\$17,871)	( \$12,800)
▪ Prepay Offset Credit	<u>\$ (0)</u>	<u>(\$ 6,415)</u>
▪ Total Net Interest Expense	<b>\$220,330</b>	<b>\$205,288</b>

- Note 1: \$220,330 is the combination of \$221,546 on Row 113 and (\$1,216) on Row 114 in the Composite Cost Pool True-Up Table FY 2013 Rate Case Column. To calculate the Net Interest Expense for the Annual Slice True-Up Adjustment, the non-slice interest income is excluded.



# ***Review of 3rd Quarter Capital Financial Results & Forecast***

Report ID: 0027FY13

Requesting BL: CORPORATE BUSINESS UNIT

Unit of Measure: \$Thousands

## QBR Forecast Analysis: BPA Capital Expenditures

FYTD Through the Month Ended June 30, 2013

Preliminary Unaudited

Run Date/Run Time: July 17, 2013 12:05

Data Source: EPM Data Warehouse

% of Year Elapsed = 75%

				A	B	C
				FY 2013		FY 2013
				2nd Quarter Forecast	Current EOY Forecast	Current EOY Forecast - 2nd Quarter Forecast
<b>Transmission Business Unit</b>						
1	MAIN GRID			\$ 107,129	\$ 84,090	\$ (23,039)
2	AREA & CUSTOMER SERVICE			16,506	12,641	(3,865)
3	SYSTEM REPLACEMENTS			197,291	214,807	17,515
4	UPGRADES & ADDITIONS			209,365	204,325	(5,041)
5	ENVIRONMENT CAPITAL			7,868	8,110	242
	<u>PFIA</u>			-	-	-
6	MISC. PFIA PROJECTS			13,181	10,616	(2,564)
7	GENERATOR INTERCONNECTION			4,120	(240)	(4,359)
8	SPECTRUM RELOCATION			1,512	914	(598)
9	CAPITAL INDIRECT			-	-	-
10	LAPSE FACTOR			-	-	-
11	<b>TOTAL Transmission Business Unit</b>			<b>556,972</b>	<b>535,263</b>	<b>(21,709)</b>
<b>Power Business Unit</b>						
12	BUREAU OF RECLAMATION			66,113	71,179	5,066
13	CORPS OF ENGINEERS			151,720	144,774	(6,946)
14	GENERATION CONSERVATION			82,170	81,000	(1,170)
15	POWER INFORMATION TECHNOLOGY			7,760	7,000	(760)
16	FISH & WILDLIFE			67,145	60,002	(7,143)
17	LAPSE FACTOR			-	-	-
18	<b>TOTAL Power Business Unit</b>			<b>374,908</b>	<b>363,955</b>	<b>(10,953)</b>
<b>Corporate Business Unit</b>						
19	CORPORATE BUSINESS UNIT			39,624	34,274	(5,350)
20	<b>TOTAL Corporate Business Unit</b>			<b>39,624</b>	<b>34,274</b>	<b>(5,350)</b>
21	<b>TOTAL BPA Capital Expenditures</b>			<b>\$ 971,505</b>	<b>\$ 933,493</b>	<b>\$ (38,012)</b>

Report ID: 0027FY13

Requesting BL: CORPORATE BUSINESS UNIT

Unit of Measure: \$Thousands

**BPA Statement of Capital Expenditures**

FYTD Through the Month Ended June 30, 2013

Preliminary Unaudited

Run Date/Run Time: July 17, 2013/ 12:05

Data Source: EPM Data Warehouse

% of Year Elapsed = 75%

		FY 2013		FY 2013		FY 2013	
		SOY Budget	Current EOY Forecast	Actuals: Jun	Actuals: FYTD	Actuals / SOY Budget	Actuals / Forecast
<b>Transmission Business Unit</b>							
1	MAIN GRID	\$ 160,391	\$ 84,090	\$ 4,518	\$ 69,851	44%	83%
2	AREA & CUSTOMER SERVICE	23,103	12,641	1,246	7,320	32%	58%
3	SYSTEM REPLACEMENTS	227,542	214,807	16,640	117,025	51%	54%
4	UPGRADES & ADDITIONS	255,246	204,325	17,542	119,232	47%	58%
5	ENVIRONMENT CAPITAL	6,483	8,110	539	4,134	64%	51%
	PFIA						
6	MISC. PFIA PROJECTS	12,520	10,616	831	7,539	60%	71%
7	GENERATOR INTERCONNECTION	38,862	(240)	932	2,897	7%	-1208%
8	SPECTRUM RELOCATION	1,296	914	1	739	57%	81%
9	CAPITAL INDIRECT	-	-	(1,444)	11,734	0%	0%
10	LAPSE FACTOR	(72,273)	-	-	-	0%	0%
11	<b>TOTAL Transmission Business Unit</b>	<b>653,169</b>	<b>535,263</b>	<b>40,804</b>	<b>340,472</b>	<b>52%</b>	<b>64%</b>
<b>Power Business Unit</b>							
12	BUREAU OF RECLAMATION	64,546	71,179	9,647	56,455	87%	79%
13	CORPS OF ENGINEERS	172,635	144,774	15,231	103,219	60%	71%
14	GENERATION CONSERVATION	82,170	81,000	5,132	43,241	53%	53%
15	POWER INFORMATION TECHNOLOGY	5,885	7,000	451	4,665	79%	67%
16	FISH & WILDLIFE	67,145	60,002	2,761	26,923	40%	45%
17	LAPSE FACTOR	(12,417)	-	-	-	0%	0%
18	<b>TOTAL Power Business Unit</b>	<b>379,964</b>	<b>363,955</b>	<b>33,223</b>	<b>234,504</b>	<b>62%</b>	<b>64%</b>
<b>Corporate Business Unit</b>							
19	CORPORATE BUSINESS UNIT	48,649	34,274	6,076	22,990	47%	67%
20	<b>TOTAL Corporate Business Unit</b>	<b>48,649</b>	<b>34,274</b>	<b>6,076</b>	<b>22,990</b>	<b>47%</b>	<b>67%</b>
21	<b>TOTAL BPA Capital Expenditures</b>	<b>\$ 1,081,782</b>	<b>\$ 933,493</b>	<b>\$ 80,102</b>	<b>\$ 597,965</b>	<b>55%</b>	<b>64%</b>

# ***Capital Project Status Report***

Dennis Naef  
Asset Strategist

Major Capital Projects<sup>1</sup> - End-of-Project Target Performance

Q2 2013

		Direct Capital \$M <sup>2</sup>			In-Service Date	
Project	Description	Target	Forecast	Actual <sup>3</sup>	Target	Forecast
Transmission						
Spacer Damper Replacement Program (FY08-12)	Replace all spring type double and triple bundle spacer-dampers on the 500 kV system.	\$ 65.2	\$ 46.0	\$ 44.8	9/30/2012 for 95% completion	9/30/14
Sustain Steel Program Defective Damper Replacements	Replace approximately 1,700 mile of defective PPI spacer dampers.	\$24.0 to \$30.0 for FY12- FY13	\$ 24.6	\$ 15.1	Achieve 90% to 113% of workplan thru FY13	Achieve 94% of workplan thru FY13
Spectrum Relocation (3G 1710-1755 MHz)	Vacate radio frequencies as required by P.L. 108-494.	\$ 48.6	\$ 40.6	\$ 39.9	3/31/13	12/1/13
500 kV Spare Transformer Project	Acquire 5 spares and relocate 2 existing transformers to be used as spares. The spares will be placed strategically across the system.	\$ 41.0	\$ 42.8	\$ 33.5	12/31/13	1/10/14
FY10 - TEAP Fleet Equipment Replacement Program	Heavy duty and specialized vehicle replacement program for FY10, FY11 and part of FY12.	\$ 29.6	\$ 28.0	\$ 18.8	3/31/12	9/15/13
#KC SONET Phase II Spur Healing	Complete the digital microw ave and radio conversion in Oregon.	\$ 18.0	\$ 17.4	\$ 10.8	12/31/15	12/31/15
#NC Analog Microwave Replacement	Complete the digital microw ave and radio conversion in NW Washington.	\$ 13.6	\$ 10.4	\$ 6.1	12/31/15	12/15/14
Alvey Substation 500 kV Shunt Reactor	Add a 500 kV shunt reactor for voltage stabilization.	\$ 10.9	\$ 10.4	\$ 3.6	4/30/12	11/30/14
NEPA - I-5 Corridor Reinforcement	Conduct NEPA study, preliminary engineering and design.	\$ 45.0	\$ 43.9	\$ 30.5	1/31/13	12/15/14
West of McNary Reinforcement Group 2 Big Eddy - Knight	New 500 kV substation and 28 miles of 500 kV transmission line.	\$ 180.0	\$ 173.0	\$ 140.0	Substation 3/31/2013 Shunt Reactor 11/30/14	Substation 8/31/2015 Shunt Reactor 11/30/14
Condon Wind Voltage Control	Install ring bus, transformer bank and breaker to control voltage fluctuations on the DeMoss-Fossil-Maupin 69kV line.	\$ 9.4	\$ 14.3	\$ 14.1	5/31/11	9/30/13
DC RAS Upgrade	Replace the DC RAS controllers at Celilo with upgraded units at the Ross and Munro control centers.	\$ 11.8	\$ 11.8	\$ 9.1	11/30/13	11/30/13
Synchrophasor Project	5-year effort to acquire, install, test, and implement synchronized Wide Area Measurement (WAM) and control technology at BPA.	\$ 32.5	\$ 30.4	\$ 21.3	Phase I complete by 9/30/13.	Phase I complete by 9/30/13.
Wood Pole Line Sustain Program FY10 - FY13	Implement a stable, sustained wood pole replacement program. The four year plan includes cumulative cost and work plan completion targets.	\$108.6 to \$135.8 for FY10 - FY13	\$ 125.5	\$ 110.9	Achieve 90% to 100% of workplan and 420 miles	<80% of workplan and 268 miles

This information has been made publicly available by BPA on 5/9/2013 and does not contain Agency-approved Financial Information.

<sup>1</sup> Includes capital projects authorized at the agency level since August 2007

<sup>2</sup> Direct capital costs exclude AFUDC and overheads

<sup>3</sup> Actual costs are project costs to date.

<sup>4</sup> Contracts have not been awarded - cost estimates are confidential

## JULY 2013 QUARTERLY BUSINESS REVIEW

This information has been made publicly available by BPA on July 26, 2013 and does not contain Agency-approved Financial information.

Major Capital Projects<sup>1</sup> - End-of-Project Target Performance

Q2 2013

		Direct Capital \$M <sup>2</sup>			In-Service Date	
Project	Description	Target	Forecast	Actual <sup>3</sup>	Target	Forecast
Transmission - continued						
Steel Lines Sustain Program FY11 - FY13	Implement a stable, sustained steel line replacement program. The four year plan includes cumulative cost and work plan completion targets.	\$22.4 to \$28.0 for FY11 - FY13	\$ 30.5	\$ 24.2	Achieve 90% to 150% of workplan	Forecast to achieve 97% of workplan
System Protection and Control (SPC) Sustain Program FY11 - FY13	Implement a stable, sustained SPC replacement program. The four year plan includes cumulative cost and work plan completion targets.	\$37.7 to \$47.2 for FY11-	\$ 26.4	\$ 13.8	Achieve 90% to 100% of	40%
Control Replacement California - Oregon Intertie (COI) Series Capacitors	Replace protection and control systems for the series capacitor banks. Target includes 20% other owner's share.	\$ 15.7	\$ 11.9	\$ 9.3	3/30/14	2/11/14
Ross - Schultz Fiber Replacement	Replace the obsolete and limited 36 strand fiber with standard 72 strand fiber.	\$ 34.0	\$ 33.4	\$ 1.7	9/15/17	9/15/17
#DC Microwave Analog Spur Replacement	Complete the digital microwave and radio conversion in Northeast Washington.	\$ 39.5	\$ 32.1	\$ 8.6	8/30/17	7/3/17
Central Oregon Transformer Addition	Install a second 500/230 kV transformer bank at BPA's Ponderosa substation.	\$ 29.1	\$ 31.7	\$ 31.5	10/31/13	10/31/13
Central Ferry to Lower Monumental (Little Goose Area Reinforcement)	Construct a 38 mile 500 kV transmission line between Central Ferry and Lower Monumental substations.	\$ 90.0	\$ 90.0	\$ 19.6	12/31/13	2/27/15
Celilo Mercury Containment and Abatement	Contain and abate the mercury contamination at the Celilo Converter Station.	\$ 10.8	\$ 10.8	\$ 6.5	5/31/13	8/30/13
Central Ferry Generation Interconnection	Generation interconnection request. Construction of a new 500/230 kV substation and related fiber communications work.	\$ 98.4	\$ 77.2	\$ 76.7	5/30/12	7/15/13
Rights-of-Way Access Roads and Land Rights Acquisition Program FY13 to FY15	Implement a stable, sustained ROW program. The three year plan includes cumulative cost and work plan completion targets.	At least \$9.4 for FY13	\$ 16.1	\$ 5.4	Achieve 100% of workplan	90% of workplan
Summit Ridge Wind Generation Interconnection	Generation interconnection request. Install a new 230 kV ring bus to loop in the Big Eddy - Maupin 230 kV line.	\$ 11.3	\$ 11.3	\$ -	9/1/13	9/1/13
P25 Two-Way Mobile Radio Upgrade	Replace and upgrade the mobile two-way radio system to P25 technology.	\$ 64.5	\$ 61.3	\$ 0.9	9/30/17	9/30/17
Switchgear Replacement for Fault Duty FY12	Replace under-rated switchgear identified in annual screening process.	\$ 14.9	\$ 13.1	\$ 1.3	12/31/14	9/26/14
Pacific DC Intertie Upgrade - Station Work	Modernize the Celilo converter terminal and upgrade capacity from 3100 MW to 3220 MW for north to south power flow with a future upgrade	\$ 275.8	\$ 269.2	\$ 5.1	12/20/15	12/20/15
Pacific DC Intertie Upgrade - Line Work		\$ 40.0	\$ 27.6	\$ 1.5	10/31/17	10/31/17
Puget Sound Area Northern Intertie (PSANI) Memorandum of Agreement	Install a 500/230 kV transformer bank addition at Raver Substation.	\$ 56.4	\$ 56.4	\$ 18.9	9/30/16	9/30/16
Horse Butte Wind Interconnection	Interconnect UAMPS wind project.	\$ 10.2	\$ 8.5	\$ 5.8	11/30/12	11/11/13

This information has been made publicly available by BPA on 5/9/2013 and does not contain Agency-approved Financial Information.

<sup>1</sup> Includes capital projects authorized at the agency level since August 2007

<sup>2</sup> Direct capital costs exclude AFUDC and overheads

<sup>3</sup> Actual costs are project costs to date.

<sup>4</sup> Contracts have not been awarded - cost estimates are confidential

## JULY 2013 QUARTERLY BUSINESS REVIEW

This information has been made publicly available by BPA on July 26, 2013 and does not contain Agency-approved Financial information.

Major Capital Projects<sup>1</sup> - End-of-Project Target Performance

Q2 2013

		Direct Capital \$M <sup>2</sup>			In-Service Date	
Project	Description	Target	Forecast	Actual <sup>3</sup>	Target	Forecast
Transmission - continued						
MT to WA Transmission System Upgrade - NEPA	NEPA and preliminary engineering and design for the former CUP West project.	\$ 7.2	\$ 7.0	\$ 0.5	3/31/15	3/30/15
Lower Valley NEPA (Hooper Springs)	NEPA and preliminary engineering and design work for the Lower Valley Area Reinforcement project.	\$ 19.1	\$ 19.1	\$ 15.2	11/1/13	11/1/13
AC Substations Sustain Program FY13-15	Implement a stable AC substation equipment replacement program. The 3 year plan includes cumulative cost and scope/schedule targets.	\$4.95 for FY13	\$ 7.9	\$ 1.9	Deliver 100% of workplan	Deliver 100% of workplan
PSC/Telecom Sustain Program FY13-15	Implement a stable PSC/Telecom equipment replacement program. The 3 year plan includes cumulative cost and scope/schedule targets.	\$7.7 for FY13	\$ 5.6	\$ 0.5	Deliver 100% of workplan	Deliver 80% of workplan
#JC Microwave Upgrade	Complete the digital conversion for the upper part of the #JC communications ring.	\$ 13.5	\$ 13.5	\$ 0.1	9/1/18	9/1/18
Operational Multi-Gigabit Ethernet Transport (OMET)	Communications upgrade and replacement project to ensure adequate capacity and compatibility for emerging monitoring and control equipment.	\$ 43.5	\$ 43.5	\$ 0.6	3/30/17	3/30/17

<b>Federal Hydro</b>						
Grand Coulee and Hungry Horse SCADA Replacement	Replace SCADA systems at Grand Coulee and Hungry Horse.	\$ 46.8	\$ 46.8	\$ 33.1	9/30/15	8/31/16
Grand Coulee Exciter Replacement	Replace 6 original excitation units in Powerhouse 3.	\$ 20.9	\$ 21.5	\$ 16.4	11/30/13	5/31/13
Grand Coulee Left Powerhouse Transformer Replacement	Replace transformer banks K1, K5, K7, K8 and purchase one spare transformer bank.	\$ 15.7	\$ 15.7	\$ 8.7	10/31/14	12/31/14
Grand Coulee 500kV Switchyard Relay Replacement	Replace protective relays and transfer trip between the third power plant and 500kV switchyard and between the 230kV and 500kV	\$ 7.6	\$ 7.6	\$ 2.2	9/30/14	9/30/14
Grand Coulee Pre Overhaul - Winding Replacement G19, G20	Replace the stator core and windings on units G19 and G20.	N/A <sup>4</sup>	N/A <sup>4</sup>	\$ 0.7	5/31/13	4/29/18
Grand Coulee Pre Overhaul - Crane Rehabilitation	Complete refurbishment of the six third power plant cranes.	\$ 23.4	\$ 23.4	\$ 12.7	12/31/12	3/11/13
Grand Coulee Pre Overhaul - High Voltage Cable Replace.	Install overhead, high-voltage cables to transfer power from the third power plant.	\$ 46.7	\$ 46.7	\$ 36.7	12/31/12	12/31/12
Grand Coulee - Keys Pump Generating Station - Reliability	Replacements and upgrades to maintain the current capability of the station.	\$ 61.4	\$ 61.4	\$ -	9/30/21	9/30/21
Chief Joseph Turbine Runner Replacements Units 1 - 16	Replace the turbine runners and rehabilitate the turbines on units 1 - 16.	\$ 166.0	\$ 166.0	\$ 78.6	9/30/17	9/30/17
Chief Joseph Exciter Replacement	Replace excitation units (17 to 27) that have reached the end of their useful lives.	\$ 9.2	\$ 8.6	\$ 0.6	12/30/15	12/30/15

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<sup>1</sup> Includes capital projects authorized at the agency level since August 2007

<sup>2</sup> Direct capital costs exclude AFUDC and overheads

<sup>3</sup> Actual costs are project costs to date.

<sup>4</sup> Contracts have not been awarded - cost estimates are confidential

# Major Capital Projects<sup>1</sup> - End-of-Project Target Performance Q2 2013

		Direct Capital \$M <sup>2</sup>			In-Service Date	
Project	Description	Target	Forecast	Actual <sup>3</sup>	Target	Forecast
Federal Hydro - continued						
Chief Joseph Governor Replacement	Upgrade the 27 governors w ith digital controls and replace associated equipment.	\$ 10.7	\$ 10.7	\$ -	8/19/17	8/19/17
The Dalles Powerhouse Governor Upgrade	Upgrade of the governors w ith digital controls and replacement of associated components.	\$ 21.8	\$ 21.8	\$ 9.2	9/30/14	9/30/14
McNary Main Unit 1-4, 7-12 Stator Winding Replacement	Replace stator w indings that are over 50 years old.	\$ 80.0	\$ 80.0	\$ 50.9	12/31/14	4/1/15
McNary Governor Replacement	Upgrade the 14 governors in the McNary pow erhouse w ith digital controls.	\$ 9.3	\$ 9.3	\$ 0.1	1/29/18	1/29/18
Bonneville PH2 Station Services Replacement	Upgrade Pow erhouse 2 station service w ith new transformers and sw itchgear.	\$ 12.1	\$ 12.1	\$ 10.7	5/31/13	5/31/13
John Day Governor Upgrade	Upgrade of the governors w ith digital controls and replacement of associated components.	N/A <sup>4</sup>	N/A <sup>4</sup>	\$ 1.5	10/23/14	10/26/16
Ice Harbor Turbine Runner Replacement	Replace the poor condition turbine runners in units 1, 2 & 3 and incorporate a more fish-friendly design.	\$ 97.0	\$ 97.0	\$ 8.9	10/1/18	10/1/18
Lower Snake Exciter Replacement	Replace 6 exciters at Little Goose, 3 at Low er Monumental and 3 at Low er Granite.	\$ 12.9	\$ 12.9	\$ 9.2	2/27/13	6/30/13
Hungry Horse Station Service Replacement	Replace station service sw itchgear distribution board/feeder cables and upgrade relay protection/metering.	\$ 8.1	\$ 8.1	\$ 0.4	1/31/15	1/31/15
Hills Creek Powerhouse Turbine and Unit Rehabilitation	Replace turbine runners and generator w indings on units 1 and 2 at Hills Creek.	\$ 24.1	\$ 24.1	\$ 3.3	8/12/14	3/31/15
Black Canyon Third Generating Unit	Add a third generating unit at Black Canyon. The capacity of the unit w ill be betw een 10 and 15 MW.	N/A <sup>4</sup>	N/A <sup>4</sup>	\$ 3.5	12/31/14	12/31/16
Palisades Turbine Rehabilitation and Runner Replacement	Replace the turbine runners and rehabilitate the turbines on the four Palisades units.	\$ 28.8	\$ 28.8	\$ 7.8	5/31/16	5/31/16
Dexter Spillway Gate Rehabilitation	Rebuild the seven tainter spillw ay gates at Dexter.	\$ 18.0	\$ 16.7	\$ 16.0	9/15/13	9/15/13
Big Cliff Spillway Gate Rehabilitation	Rebuild the three tainter spillw ay gates at Big Cliff.	\$ 11.0	\$ 11.0	\$ 6.7	12/30/13	12/30/13

<b>IT</b>						
Desktop Modernization Project	Deploy Window s 7, Office 2010 and end-user devices.	\$ 9.1	\$ 9.3	\$ 5.6	3/31/14	3/31/14
IT Virtualization and Consolidation Project (IVC)	Replace and modernize server infrastructure for non-critical business systems.	\$ 21.8	\$ 21.1	\$ 3.2	9/30/14	9/30/14

<b>Facilities</b>						
Eastside Alternate Operating Facility	Spokane-area facility for redundant transmission and pow er scheduling functions and alarm monitoring.	\$ 18.5	\$ 18.5	\$ 2.1	3/31/14	3/31/14
Tri Cities Maintenance Headquarters and Franklin Yard	Construct Tri-Cities maintenance HQ, heat line for spare transformers and a spare parts yard at Franklin.	\$ 14.2	\$ 14.2	\$ 1.4	12/31/13	12/31/14

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<sup>4</sup> Contracts have not been awarded - cost estimates are confidential



## ***Status of Debt Management Actions***

Javier Fernandez  
Manager, Cash and Treasury Management

Jon Dull  
Manager, Debt and Investment Management

## ***Lewis County Extension Results***

- As proposed last June during BPA's Debt Management workshop, we incorporated the debt restructuring/extension of Lewis County bonds into FY 2014/15 rates.
- The restructuring was completed on July 10, 2013.
- The approximately \$88 million bond sale essentially replaced the final maturity of the bonds from 2024 to 2032 to match the power purchase agreement.
- The transaction produced about \$4.4 million each year (FY 2014/15) for rate relief.
- The FY 2014/15 rate case assumed \$4.8 million each year, an overestimation of approximately \$800,000 for the 2 year period.

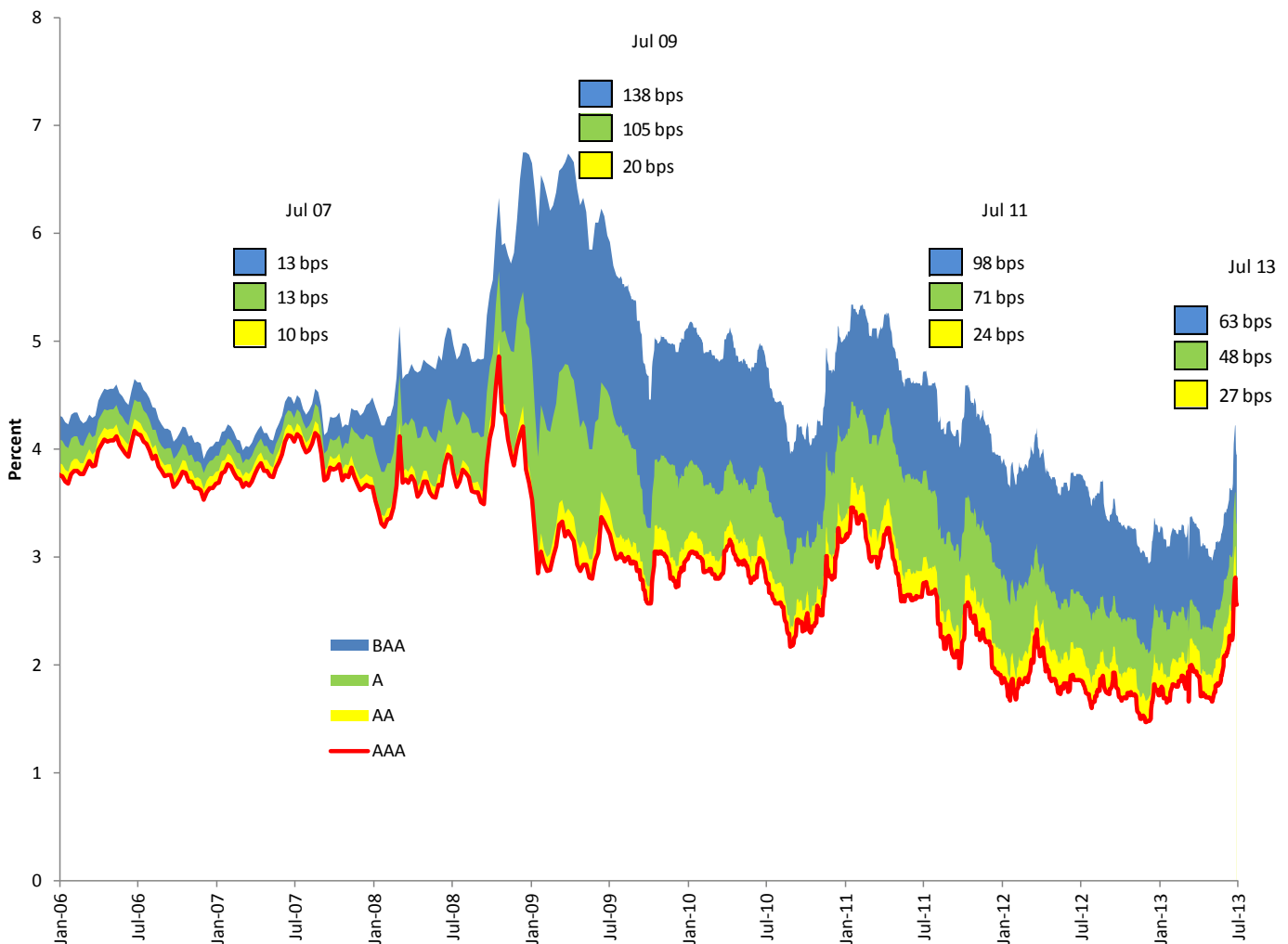
# Lewis County Rating Agency Summary

- With the recent Lewis County financing, we received new analysis from two rating agencies. They continue to stress the importance of strong financial metrics for an AA or above credit.
- Moody's indicated that BPA-backed bond's rating could be negatively pressured if BPA's consolidated total debt service coverage ratio drops below 1.0x on a sustained basis, or if internal days cash on hand continues to drop lower (March 2013).
  - 2012 Total Debt Service Coverage ratio: 1.1 times (same for 2011/.9 in 2010)
  - 2012 Days Cash on Hand: 132 days (143 in 2011/155 in 2010)
- Fitch cited that continued financial reserves decline could pressure ratings (March 2013).
- Standard & Poor's stated that a total debt service coverage ratio of lower than 1.0x, and declining liquidity could lower the rating (March 2012).

Moody's	S&P	Fitch Ratings	Description
Aaa	AAA	AAA	Highest security level
Aa1	AA+	AA+	High security level
Aa2	AA	AA	
Aa3	AA-	AA-	
A1	A+	A+	Higher investment rating
A2	A	A	
A3	A-	A-	
Baa1	BBB+	BBB+	Lower investment rating
Baa2	BBB	BBB	
Baa3	BBB-	BBB-	
Ba1	BB+	BB+	Non investment (speculative) rating
Ba2	BB	BB	
Ba3	BB-	BB-	
B1	B+	B+	High speculative rating
B2	B	B	
B3	B-	B-	

# Value of BPA's Ratings

## Tax Exempt Municipal Market Database Index by credit type (10-year maturity)



# ***Debt Management Strategies***

## Capital Financing Philosophy

- Power Debt Service Profile
  - FY 2012 – FY2028 Regional Dialogue contracts identify the power available for sale at Tier 1 rates as = output from the Federal Base System.
  - Power capital programs are mature, therefore the challenge will be to maintain a flat or downward trending debt service forecast.
- Transmission Debt Service Profile
  - Transmission system is evolving and growing.
  - High investment level forecast results in a potential doubling of debt service costs in the next 20 years.
  - Challenge is to invest in the system at the right time matching expected system growth while minimizing rate effects over time.
- Credit Rating
  - Moody's views BPA's large capital program and reliance on debt as a "growing concern" and they will continue to monitor BPA's long term debt profile.
  - BPA would be better positioned in the view of the rating agencies by reducing outstanding debt.

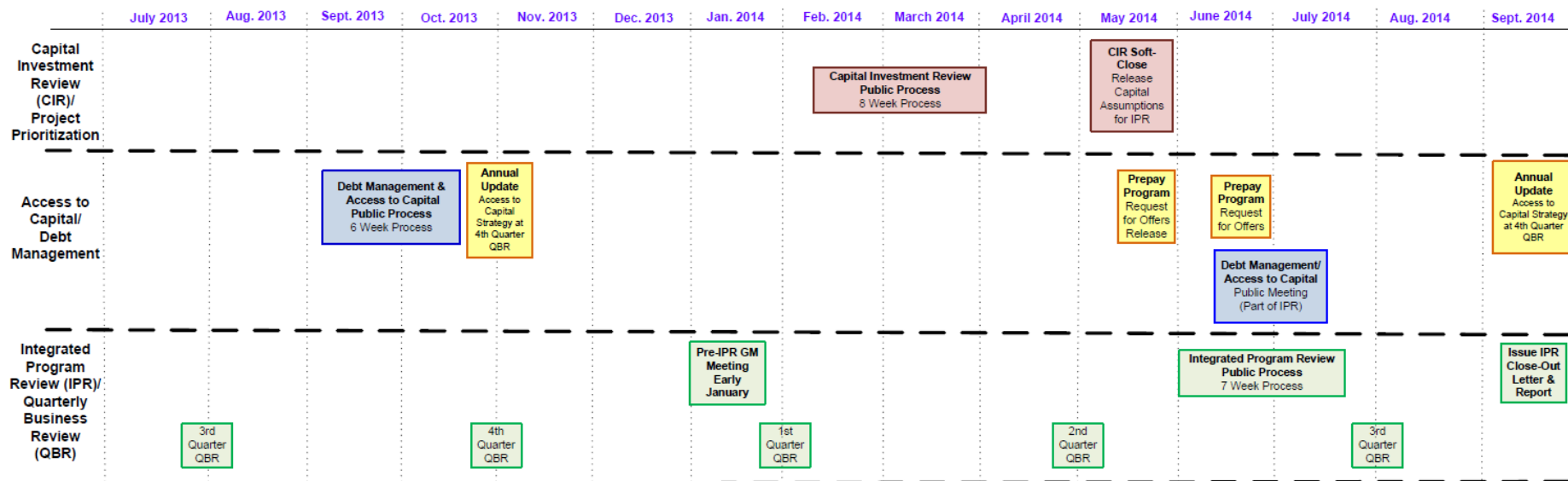
# ***Debt Management Strategies***

## Debt Management Framework—Chief Financial Officer's Goals

- Access to Capital
  - Ensure that BPA continues to implement a rigorous capital approval process.
  - Develop solutions that provide BPA with sustainable solutions over the next 10 years.
- Credit Rating
  - Reduce BPA's outstanding regulatory assets.
    - BPA would be better positioned in the view of the rating agencies by paying off Project 1 and 3 and reducing its Nonfederal debt balance.
- Business Strategy
  - Define Power and Transmission future debt service in the context of each business units strategic goals.
    - Mature, stable Power sales at Tier 1 rates.
    - Expanding Transmission responsibilities to meet regional needs.

# Debt Management Timeline

## DRAFT Process Timeline for FY 2014



# ***Debt Management Framework***

## Debt Management Workshops

- Access to Capital Strategy (January 2013):
  - Capital prioritization
  - Transmission lease financing
  - Power Prepay program
  - Energy Efficiency 3<sup>rd</sup> party financing
  - Other financing programs
  - Pursue opportunities to increase total Treasury borrowing authority
  - Begin discussions of long-term, phased-in revenue financing
    - » September/October 2013: Debt management workshops
    - » January 2014: Access to capital strategy update
    - » June 2014: Debt management update
    - » August 2014: Access to capital results
    - » Rate period 2016/17: Potential implementation
- Potential meetings:
  - » Foundational debt management (morning) session
  - » Strategic debt management (afternoon) session
  - » October 23 (Portland)
  - » October 24 (Seattle/Spokane/Other?)



## ***Rate Case Status***

Review of Power and Transmission Rates  
Effective October 1, 2013

Ray Bliven  
Supervisory Public Utilities Specialist (Rates)

Rebecca Fredrickson  
Supervisory Public Utilities Specialist

## ***Power Rates Overview***

- PF Tier 1 average net cost increasing from \$29.01/MWh to \$31.55/MWh, a 9.0% increase
- PF Tier 2 average rate decreasing from \$48.11/MWh to \$39.86/MWh, a 17% decrease
- Industrial Firm average rate increasing from \$36.31/MWh to \$38.97/MWh, a 7.3% increase
- New Resources average rate (for NLSLs) increasing from \$69.54/MWh to \$77.65/MWh, an 11.7% increase

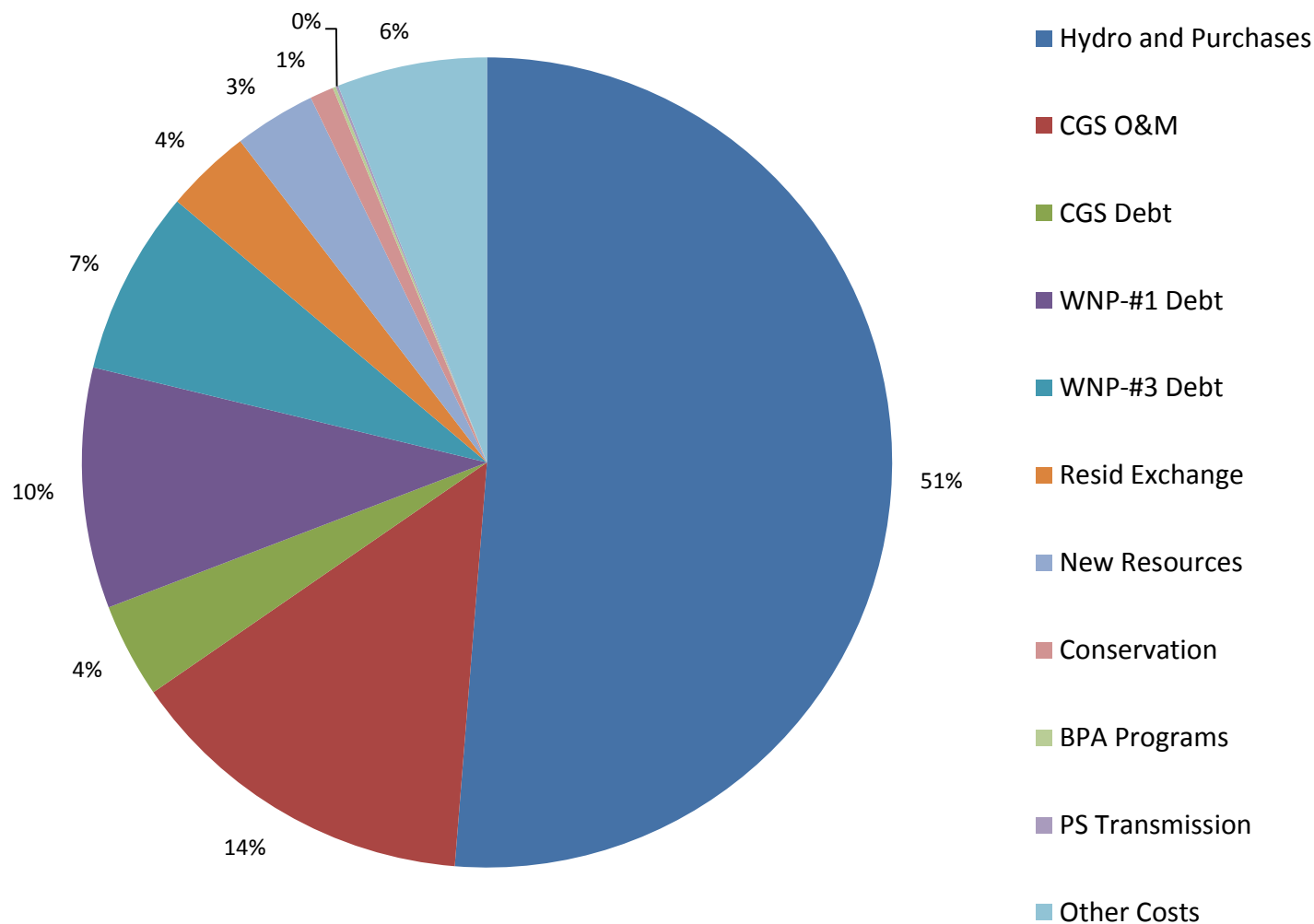
## ***Rate Increase Drivers***

- Costs of maintaining the hydro system
- Full implementation of fish and wildlife commitments
- Loss of revenues from marketing secondary energy
- Offset by debt restructuring and other one-time savings

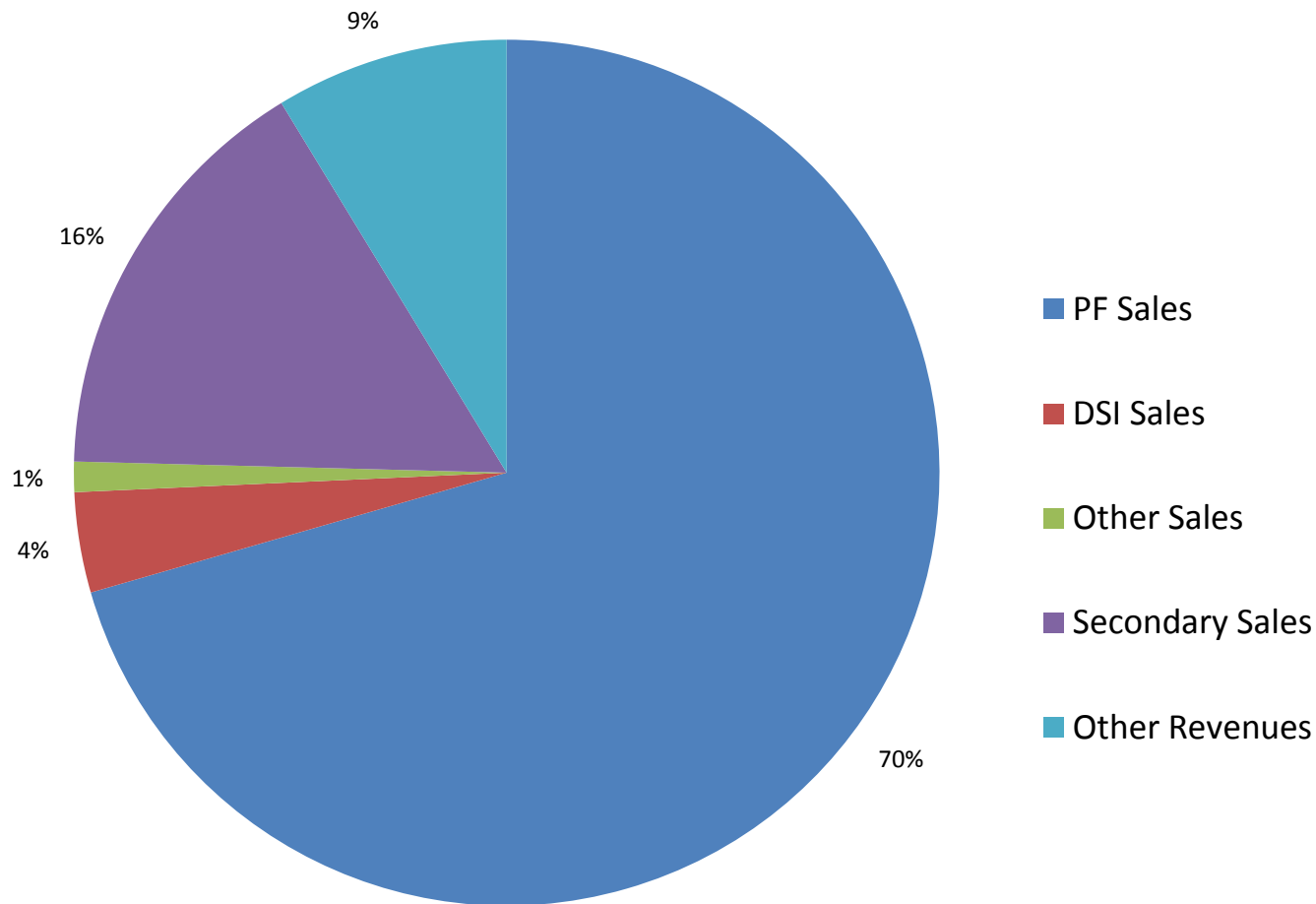
# ***Power Revenue Requirement Changes BP12 rates to BP-14 rates***

<b><u>Expenses</u></b>		<b>\$(Million)</b>	<b>% Change in Rates</b>
Columbia Generating Station		(8)	-0.4%
Bureau of Reclamation		26	1.4%
Corps of Engineers		17	0.9%
Residential Exchange		0	0.0%
Fish and Wildlife		20	1.1%
Energy Efficiency		3	0.1%
Transmission and Ancillary Services		6	0.3%
Internal Operations		12	0.6%
Capital-Related Costs		(71)	-3.8%
Other Costs		4	0.2%
<b>Expense Sub-Total</b>		<b>8</b>	<b>0.4%</b>
<b><u>Revenues and Costs Affected by Gas Price</u></b>			
Net Power Purchase and Sale		145	7.7%
4(h)10(c)		(2)	-0.1%
Generation Inputs		14	0.7%
DSI Sales		2	0.1%
Other Revenues		2	0.1%
<b>Revenues Sub-Total</b>		<b>161</b>	<b>8.6%</b>
<b>Total Change in Net Revenue Requirement</b>		<b>169</b>	<b>9.0%</b>

## ***Cost Components of Power Rates***



## ***Power Revenue Sources***



## ***Transmission Rates Overview***

- This is the first transmission rate increase in six years
- It is an overall rate increase of 11%
  - 8.9% Network increase
  - 15.6% Point-to-Point increase
- Transmission is using \$20 million per year in financial reserves to partially offset rate increases

## ***Rate Increase Drivers***

- A growing construction program driven by the need to repair and replace aging infrastructure
- Increased spending on mandatory compliance and security requirements

## ***Transmission Rate Increase Drivers***

<b>RATE</b>	<b>BP-12 RATES</b>	<b>BP-14 RATES</b>
IR (Integration of Resources)	\$1.498 /kW/mo	\$1.736 /kW/mo
NT (Network Integration)	\$1.298 /kW/mo	\$1.741 /kW/mo
PTP (Point-to-Point)	\$1.298 /kW/mo	\$1.479 /kW/mo
IS (Southern Intertie)	\$1.293 /kW/mo	\$1.128 /kW/mo
IM (Montana Intertie)	\$0.598 /kW/mo	\$0.598 /kW/mo
TGT (Townsend-Garrison)	See rate schedule	
IE (Eastern Intertie)	1.13 mills/kWh	1.23 mills/kWh

# ***Wood Pole Recycling Pilot Program 2012***

Stephen Sander  
Physical Scientist (Environmental)





## ***Wood Pole Recycling Pilot Project Results***

### Quantities Received:

- Received first load July 17, 2012
- Received 119 tons
- 5 loads (155 transmission poles)
- Averaged 31 poles per load
- Poles received were close to 50/50 cedar and Douglas fir (almost more demand for Douglas fir).

# ***Wood Pole Recycling Pilot Project Results***

## Products Produced:

- Crane Cribbing
- Dump truck side boards
- Lowboy decking
- Fencing (posts, stringers, fence boards, etc.)
- Trailer decking
- Board and batten
- Mantels
- Tongue and groove
- Interior trim
- Exterior trim and fascia
- Furniture
- Misc. – Post and beam for signs
- Pergolas
- Shoring boards
- Sign boards

Products produced were mainly custom orders with specific dimensions.



















# ***Wood Pole Recycling Pilot Project Results***

## Treated Residual – Second Life Applications

### **Pole Butts**

- Fence posts
- Gate posts
- Wind break posts
- Road blocks (Forest Service, Fish and Game)
- Coral posts

### **Quarter Rounds**

- Fencing
- Livestock wind breaks
- Snow drift breaks
- Barn siding







## JULY 2013 QUARTERLY BUSINESS REVIEW

*This information has been made publicly available by BPA on July 26, 2013 and does not contain Agency-approved Financial information.*









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# ***Wood Pole Recycling Pilot Project Results***

## **Results**

- Received 119 tons in 5 loads, equating to 155 poles.
- Pennington Recycled Wood Products disposed of 9.24 tons at Wenatchee Regional Landfill (saving 109.76 tons worth of scarce landfill space).
- Pricing of disposal with environmental and tipping fees included is \$65.00 per ton (cheapest permitted waste facility in Washington State).
- $119 \text{ tons} \times \$65.00 \text{ per ton} = \$7,735.00 + 4,800.50 \text{ (trucking)} - \$12,535.50$

## **Pennington Recycled Wood Products**

- \$7,780.50 (trucking included).
- Cost savings of \$4,755.00.
- Results in a 38% cost savings.

92.2% of retired poles were reclaimed and reused in a second life application.









# ***Wood Pole Recycling Pilot Project Results***

What we learned:

- PRWP has the ability to make a massive impact on waste to resource, conserving scarce landfill space and reducing GHG.
- Recycling retired utility poles can be cost effective to the utility (while eliminating future liability).
- There is a market for the product.
- Quantity is a vital part of making this business sustainable (reliable product source for the consumer is a necessity).
- Have to be able to process at a much faster rate and be more efficient.
- Need more equipment
  - Molders
  - Treatment dip tank
  - T&G machine
  - Edger
  - Bigger and more efficient mill and facility

# ***Wood Pole Recycling Pilot Project Results***

## Concerns in Growing:

- Pole butts (rotten, cost, flood the market etc.)
- Quarter rounds (demand for larger quantities, cost of disposal, etc.)
- Sawdust (collection, reuse, cost of disposal, demand, etc.)
- Trucking of non-usable residual waste to landfill

## Financing a larger more efficient facility

- Contracts with more utilities (helps acquire investors)
- Financing equipment needed

## ***Wood Pole Recycling Pilot Project Results***

### Conclusion:

- This is not something that PRWP can do alone.
- What does this recycling program mean to Bonneville Power Administration and the utility industry?
- We feel with working together with Bonneville and the utility industry we can produce an efficient, sustainable and environmentally responsible recycling facility.

## ***Wood Pole Recycling Pilot Project Results***

### Next Steps:

- Support Pennington Bros. in their efforts to publicize the Pilot Project (NWPPA/WEI Wood Pole Conference next fall) and also act as a project reference to other NW utilities in building support for a larger permanent facility.

# ***Successful Continuous Improvement of Substation Construction Specifications***

Lloyd Hill  
Manager, Transmission System Standards



## ***Overview***

On March 1, 2013, Revision 3 of BPA's Standard Substation Construction Specification was published. This culminated a 3-year effort to develop, improve, and standardize the written documentation needed to enable contract construction of BPA substations.



## ***In the Beginning...***

- Prior to 2010, BPA typically contracted construction of transmission lines, non-electric facilities, and some substation site preparation.
- Substation switchyard and control/protection/telecom construction prior to 2010 was done exclusively by BPA's in-house construction workforce.
- Consequently, BPA did not have a ready-for-service Substation Construction Specification prior to 2010.

## ***Additional Construction Capability Sought***

- In 2010, faced with growing construction programs and limited internal resources, BPA made the decision to develop the option of contract-constructing all aspects of substations.
- This would require written substation construction specifications which would need to be developed from scratch.
- Responsibility for developing a standard substation construction specification was given to the Transmission System Standards group.
- The Standards group already had policies, processes, and a document management system in place for engineering/design standards, which could be adapted for developing and documenting the standard substation construction specification.

## ***The Jump-Start***

- Transmission Services' Owners Engineer was contracted to provide BPA with a generic substation construction specification to be used as a foundation for a BPA standard construction specification.
- Version 1 was delivered in April, 2011. It was a very generic, document and did not address BPA construction preferences or practices.
- The Standards group initiated a series of improvements to make it more useful.

## ***Standard Substation Construction Specification – Version 2***

- A intensive BPA review and upgrade of Version 1 was conducted in May, 2011.
- BPA-specific technical content was added throughout by BPA subject matter experts, and many references were added.
- The resulting Version 2 was published in June, 2011.
- Version 2 was put under change control through the Standards group at that time.
- The CMO used Version 2 as the foundation for contracted substation construction work for about 20 months.
- While usable, Version 2 had gaps and some conflicts with other BPA standards and practices.

## ***Standard Substation Construction Specification – Revision 3***

- Starting in July 2011, the Standards group led the further development of the Standard Substation Construction Specification.
- The main objective was to rewrite and reorganize it using the industry-standard Construction Specification Institute (CSI) format.
- This entailed a complete re-write of practically every section, consolidation of information, further refinement of technical content, and reconnection of all internal and external references.
- Revision 3 published March 1, 2013.

## ***Why CSI?***

- Industry standard specification format and language
- Helps align BPA practice with industry best practices
- Construction contractors are familiar with the CSI format
- Consistency from project-to-project
- Cost savings

## ***Continuous Improvement***

- The Standard Substation Construction Specification is published on the Standards website and will be managed by the Standards group. As such, its use and maintenance are governed by the standing Standards Program Policies and Processes.
- Additions and changes pertaining to the Standard Substation Construction Specification are governed by the Standard Introduction, Development, Review, and Approval policy.
- Construction feedback and “lessons learned” directed to the Standards group will be documented and applied to the Standard Substation Construction Specification through an in-place feedback process.
- Each Standard Substation Construction Specification section will be reviewed by subject matter experts on a maximum 5-year cycle.



## ***Are We There Yet? Are We There Yet?...***

- The Standards group retains stewardship for the Standard Substation Construction Specification. It is a living document which will continue to be developed and refined over time.
- A goal this year is to convert the existing Master Transmission Line Construction Specification to CSI-format.
- Ultimately, the goal is for BPA to have a comprehensive Standard Construction Specification library, administered by the Standards group.
- Larry Bekkedahl has also directed that future designs will include written construction specifications for all projects, whether BPA-constructed or contract-constructed, to promote consistency and construction resource flexibility. This is being implemented now.

# ***Appendix 1***

Report ID: 0020FY13

Requesting BL: CORPORATE BUSINESS UNIT

Unit of measure: \$ Thousands

## FCRPS Summary Statement of Revenues and Expenses

Through the Month Ended June 30, 2013

Preliminary/ Unaudited

Run Date/Run Time: July 17, 2013/ 12:02

Data Source: EPM Data Warehouse

% of Year Elapsed = 75%

	FY 2012		FY 2013		E <Note 1	FY 2013
	Actuals: FYTD	Actuals	Rate Case	SOY Budget	Current EOY Forecast	Actuals: FYTD
<b>Operating Revenues</b>						
1 Gross Sales (excluding bookout adjustment) <Note 3	\$ 2,468,996	\$ 3,241,564	\$ 3,346,003	\$ 3,229,115	\$ 3,262,437	\$ 2,504,095
2 Bookout adjustment to Sales	(53,094)	(61,972)	-	-	(58,870)	(58,870)
3 Miscellaneous Revenues	49,335	56,675	58,137	65,796	76,893	52,447
4 U.S. Treasury Credits	61,847	81,583	100,447	85,999	92,777	70,523
5 <b>Total Operating Revenues</b>	<b>2,527,084</b>	<b>3,317,850</b>	<b>3,504,586</b>	<b>3,380,909</b>	<b>3,373,237</b>	<b>2,568,195</b>
<b>Operating Expenses</b>						
Power System Generation Resources						
Operating Generation Resources						
6 Columbia Generating Station	204,531	292,636	345,945	338,267	330,147	260,560
7 Bureau of Reclamation	64,436	89,005	119,891	132,391	128,691	88,203
8 Corps of Engineers	148,238	206,967	215,700	215,700	215,700	151,555
9 Long-term Contract Generating Projects	19,566	25,869	25,831	26,008	23,490	16,655
10 Operating Generation Settlement Payment	14,946	20,437	22,148	20,785	22,121	16,770
11 Non-Operating Generation	1,598	2,153	1,948	2,316	(22,400)	1,695
12 Gross Contracted Power Purchases and Augmentation Power Purch	166,886	205,350	164,905	119,364	191,973	185,384
13 Bookout Adjustment to Power Purchases	(53,094)	(61,972)	-	-	(58,870)	(58,870)
14 Exchanges & Settlements <Note 3	160,938	203,712	201,760	203,200	202,689	159,241
15 Renewables	26,278	33,912	37,958	37,956	36,140	24,623
16 Generation Conservation	27,351	37,505	47,850	47,850	41,396	24,157
17 <b>Subtotal Power System Generation Resources</b>	<b>781,672</b>	<b>1,055,573</b>	<b>1,183,936</b>	<b>1,143,838</b>	<b>1,111,077</b>	<b>869,973</b>
18 Power Services Transmission Acquisition and Ancillary Services - (3rd Party) <Note 2	37,056	51,274	55,035	55,035	55,135	39,599
19 Power Services Non-Generation Operations	56,505	79,794	90,210	89,537	84,076	55,142
20 Transmission Operations	87,731	121,792	133,590	131,248	123,016	85,264
21 Transmission Maintenance	91,863	135,377	150,831	153,278	148,808	102,586
22 Transmission Engineering	32,877	46,111	32,803	41,855	42,493	29,082
23 Trans Services Transmission Acquisition and Ancillary Services - (3rd Party) <Note 2	4,266	18,093	11,590	9,381	11,341	8,852
24 Transmission Reimbursables	15,032	8,241	9,914	9,682	11,725	12,375
25 Fish and Wildlife/USF&W/Planning Council/Environmental Requirements	205,643	279,641	281,129	282,067	281,104	199,379
BPA Internal Support						
26 Additional Post-Retirement Contribution	25,865	34,486	35,641	35,064	35,642	26,730
27 Agency Services G&A	79,041	109,854	113,623	110,942	113,751	81,448
28 Other Income, Expenses & Adjustments	188	(216)	-	(2,297)	1,319	1,120
29 Non-Federal Debt Service	478,998	659,680	758,196	732,138	733,281	539,994
30 Depreciation & Amortization	288,900	389,097	432,451	408,383	421,658	315,705
31 <b>Total Operating Expenses</b>	<b>2,185,636</b>	<b>2,988,798</b>	<b>3,288,949</b>	<b>3,200,151</b>	<b>3,174,426</b>	<b>2,367,249</b>
32 <b>Net Operating Revenues (Expenses)</b>	<b>341,447</b>	<b>329,052</b>	<b>215,637</b>	<b>180,759</b>	<b>198,811</b>	<b>200,946</b>
<b>Interest Expense and (Income)</b>						
33 Interest Expense	244,209	331,732	428,123	363,288	357,183	261,470
34 AFUDC	(40,805)	(45,845)	(45,847)	(46,810)	(42,635)	(32,905)
35 Interest Income	(35,447)	(43,587)	(38,223)	(28,760)	(30,685)	(20,639)
36 <b>Net Interest Expense (Income)</b>	<b>167,958</b>	<b>242,301</b>	<b>344,053</b>	<b>287,718</b>	<b>283,863</b>	<b>207,925</b>
37 <b>Net Revenues (Expenses)</b>	<b>\$ 173,490</b>	<b>\$ 86,752</b>	<b>\$ (128,416)</b>	<b>\$ (106,960)</b>	<b>\$ (85,052)</b>	<b>\$ (6,979)</b>

<1 Although the forecasts in this report are presented as point estimates, BPA operates a hydro-based system that encounters much uncertainty regarding water supply and wholesale market prices. These uncertainties among other factors may result in large range swings +/- impacting the final results in revenues, expenses, and cash reserves.

<2 The consolidated FCRPS Statement reduces reported Revenues and Expenses where between business line transactions occur, the most significant of which are for Transmission Acquisition and Ancillary Services.

<3 The Residential Exchange Program expenses reflect the Scheduled Amount of REP benefit payments established in the 2012 REP Settlement Agreement. The Scheduled Amount of REP benefit payments incorporates a \$76,537,617 reduction in REP benefits to provide Refund Amount payments to COUs. The Refund Amount returned to the COUs is reflected through a reduction in the Gross Sales amount.

Report ID: 0060FY13

**Power Services Detailed Statement of Revenues and Expenses**

Run Date/Time: July 17, 2013 12:03

Requesting BL: POWER BUSINESS UNIT

Through the Month Ended June 30, 2013

Data Source: EPM Data Warehouse

Unit of Measure: \$ Thousands

Preliminary/ Unaudited

% of Year Elapsed = 75%

	A	B	C	D <Note 1	E	F
	FY 2012	FY 2013			FY 2013	FY 2013
	Actuals	Rate Case	SOY Budget	Current EOY Forecast	Actuals	Actuals per Forecast
<b>Operating Revenues</b>						
1 Gross Sales (excluding bookout adjustment) <Note 2	\$ 2,450,595	\$ 2,501,672	\$ 2,407,477	\$ 2,457,974	\$ 1,901,753	77%
2 Bookout Adjustment to Sales	(61,972)	-	-	(58,870)	(58,870)	100%
3 Miscellaneous Revenues	26,412	26,335	27,181	26,544	19,353	73%
4 Inter-Business Unit	134,716	131,078	138,442	140,828	107,682	76%
5 U.S. Treasury Credits	81,583	100,447	85,999	92,777	70,523	76%
6 <b>Total Operating Revenues</b>	<b>2,631,334</b>	<b>2,759,531</b>	<b>2,659,099</b>	<b>2,659,253</b>	<b>2,040,440</b>	<b>77%</b>
<b>Operating Expenses</b>						
<b>Power System Generation Resources</b>						
<b>Operating Generation</b>						
7 COLUMBIA GENERATING STATION	292,636	345,945	338,267	330,147	260,560	79%
8 BUREAU OF RECLAMATION	89,005	119,891	132,391	128,691	88,203	69%
9 CORPS OF ENGINEERS	206,967	215,700	215,700	215,700	151,555	70%
10 LONG-TERM CONTRACT GENERATING PROJECTS	25,869	25,831	26,008	23,490	16,655	71%
11 <b>Sub-Total</b>	<b>614,477</b>	<b>707,367</b>	<b>712,366</b>	<b>698,028</b>	<b>516,973</b>	<b>74%</b>
<b>Operating Generation Settlements and Other Payments</b>						
12 COLVILLE GENERATION SETTLEMENT	20,437	22,148	20,785	22,121	16,770	76%
13 <b>Sub-Total</b>	<b>20,437</b>	<b>22,148</b>	<b>20,785</b>	<b>22,121</b>	<b>16,770</b>	<b>76%</b>
<b>Non-Operating Generation</b>						
14 TROJAN DECOMMISSIONING	1,611	1,500	1,600	(23,000)	1,154	-105%
15 WNP-1&4 O&M	542	448	716	600	542	90%
16 <b>Sub-Total</b>	<b>2,153</b>	<b>1,948</b>	<b>2,316</b>	<b>(22,400)</b>	<b>1,695</b>	<b>-108%</b>
<b>Gross Contracted Power Purchases (excluding bookout adjustments)</b>						
17 PNCA HEADWATER BENEFITS	2,935	2,704	2,704	2,900	2,623	90%
18 PURCHASES FOR SERVICE AT TIER 2 RATES	8,456	23,419	23,419	23,419	17,493	75%
19 OTHER POWER PURCHASES - (e.g. Short-Term)	194,065	72,632	93,241	165,655	164,683	99%
20 <b>Sub-Total</b>	<b>205,456</b>	<b>98,755</b>	<b>119,364</b>	<b>191,973</b>	<b>185,384</b>	<b>97%</b>
21 <b>Bookout Adjustments to Contracted Power Purchases</b>	<b>(61,972)</b>	<b>-</b>	<b>-</b>	<b>(58,870)</b>	<b>(58,870)</b>	<b>100%</b>
<b>Augmentation Power Purchases</b>						
22 AUGMENTATION POWER PURCHASES	(107)	66,150	-	-	-	0%
23 <b>Sub-Total</b>	<b>(107)</b>	<b>66,150</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>0%</b>
<b>Exchanges &amp; Settlements</b>						
24 RESIDENTIAL EXCHANGE PROGRAM <Note 2	203,712	201,760	203,200	202,689	159,241	79%
25 <b>Sub-Total</b>	<b>203,712</b>	<b>201,760</b>	<b>203,200</b>	<b>202,689</b>	<b>159,241</b>	<b>79%</b>
<b>Renewable Generation</b>						
26 RENEWABLE CONSERVATION RATE CREDIT	(18)	-	-	-	-	0%
27 RENEWABLES	34,036	38,142	38,140	36,140	24,840	69%
28 <b>Sub-Total</b>	<b>\$ 34,018</b>	<b>\$ 38,142</b>	<b>\$ 38,140</b>	<b>\$ 36,140</b>	<b>\$ 24,840</b>	<b>69%</b>

Report ID: 0060FY13

## Power Services Detailed Statement of Revenues and Expenses

Run Date/Time: July 17, 2013 12:03

Requesting BL: POWER BUSINESS UNIT

Through the Month Ended June 30, 2013

Data Source: EPM Data Warehouse

Unit of Measure: \$ Thousands

Preliminary/ Unaudited

% of Year Elapsed = 75%

	A	B	C	D <Note 1	E	F
	FY 2012	FY 2013			FY 2013	FY 2013
	Actuals	Rate Case	SOY Budget	Current EOY Forecast	Actuals	Actuals per Forecast
<b>Generation Conservation</b>						
29 DSM TECHNOLOGY	\$ 8	\$ -	\$ -	\$ -	\$ 1	0%
30 CONSERVATION ACQUISITION	12,664	15,950	15,950	13,436	5,860	44%
31 LOW INCOME ENERGY EFFICIENCY	7,274	5,000	5,000	5,080	2,824	56%
32 REIMBURSABLE ENERGY EFFICIENCY DEVELOPMENT	2,435	11,500	11,500	7,200	4,091	57%
33 LEGACY	1,002	900	900	800	500	63%
34 MARKET TRANSFORMATION	14,138	14,500	14,500	14,880	10,881	73%
35 CONSERVATION RATE CREDIT (CRC)	(17)	-	-	-	-	0%
36 <b>Sub-Total</b>	37,505	47,850	47,850	41,396	24,157	58%
37 <b>Power System Generation Sub-Total</b>	<b>1,055,679</b>	<b>1,184,120</b>	<b>1,144,021</b>	<b>1,111,077</b>	<b>870,190</b>	<b>78%</b>
<b>Power Non-Generation Operations</b>						
<b>Power Services System Operations</b>						
38 INFORMATION TECHNOLOGY	6,058	7,316	7,502	7,182	3,927	55%
39 GENERATION PROJECT COORDINATION	6,541	6,224	6,887	6,622	3,690	56%
40 SLICE IMPLEMENTATION	1,113	2,394	1,099	999	681	68%
41 <b>Sub-Total</b>	13,711	15,934	15,488	14,803	8,299	56%
<b>Power Services Scheduling</b>						
42 OPERATIONS SCHEDULING	9,071	10,010	10,312	10,312	6,395	62%
43 OPERATIONS PLANNING	6,720	6,709	7,255	6,937	4,819	69%
44 <b>Sub-Total</b>	15,791	16,719	17,567	17,249	11,213	65%
<b>Power Services Marketing and Business Support</b>						
45 POWER R&D	5,556	5,939	5,940	5,925	3,371	57%
46 SALES & SUPPORT	18,566	20,130	19,539	17,948	14,187	79%
47 STRATEGY, FINANCE & RISK MGMT	14,107	18,289	17,612	15,958	10,022	63%
48 EXECUTIVE AND ADMINISTRATIVE SERVICES	3,772	3,636	4,163	3,981	2,221	56%
49 CONSERVATION SUPPORT	8,416	9,608	9,272	8,258	5,910	72%
50 <b>Sub-Total</b>	50,417	57,602	56,527	52,069	35,710	69%
51 <b>Power Non-Generation Operations Sub-Total</b>	<b>79,919</b>	<b>90,255</b>	<b>89,582</b>	<b>84,121</b>	<b>55,222</b>	<b>66%</b>
<b>Power Services Transmission Acquisition and Ancillary Services</b>						
<b>PBL Transmission Acquisition and Ancillary Services</b>						
52 POWER SERVICES TRANSMISSION & ANCILLARY SERVICES	115,493	89,031	90,345	96,345	75,692	79%
53 3RD PARTY GTA WHEELING	48,721	52,891	52,891	52,891	38,038	72%
54 POWER SERVICES - 3RD PARTY TRANS & ANCILLARY SVCS	2,553	2,244	2,244	2,244	1,561	70%
55 GENERATION INTEGRATION / WIT-TS	9,101	12,968	12,968	12,968	7,295	56%
56 TELEMETERING/EQUIP REPLACEMT	5	51	51	51	1	2%
57 <b>Power Svcs Trans Acquisition and Ancillary Services Sub-Total</b>	<b>175,873</b>	<b>157,185</b>	<b>158,498</b>	<b>164,499</b>	<b>122,587</b>	<b>75%</b>
<b>Fish and Wildlife/USF&amp;W/Planning Council/Environmental Req</b>						
<b>BPA Fish and Wildlife</b>						
58 <b>Fish &amp; Wildlife</b>	248,957	241,384	242,922	242,959	171,188	70%
59 <b>USF&amp;W Lower Snake Hatcheries</b>	22,000	29,900	29,880	28,880	20,512	71%
60 <b>Planning Council</b>	9,240	10,355	10,355	10,355	8,010	77%
61 <b>Fish and Wildlife/USF&amp;W/Planning Council Sub-Total</b>	<b>\$ 280,197</b>	<b>\$ 281,639</b>	<b>\$ 283,157</b>	<b>\$ 282,194</b>	<b>\$ 199,710</b>	<b>71%</b>



Report ID: 0060FY13

**Power Services Detailed Statement of Revenues and Expenses**

Run Date/Time: July 17, 2013 12:03

Requesting BL: POWER BUSINESS UNIT

Through the Month Ended June 30, 2013

Data Source: EPM Data Warehouse

Unit of Measure: \$ Thousands

Preliminary/ Unaudited

% of Year Elapsed = 75%

	A	B	C	D <Note 1	E	F
	FY 2012	FY 2013			FY 2013	FY 2013
	Actuals	Rate Case	SOY Budget	Current EOY Forecast	Actuals	Actuals per Forecast
<b>BPA Internal Support</b>						
62 Additional Post-Retirement Contribution	\$ 17,243	\$ 17,821	\$ 17,243	\$ 17,821	\$ 13,365	75%
63 Agency Services G&A (excludes direct project support)	52,789	52,662	52,586	53,949	38,068	71%
64 <b>BPA Internal Support Sub-Total</b>	<b>70,032</b>	<b>70,483</b>	<b>69,829</b>	<b>71,770</b>	<b>51,433</b>	<b>72%</b>
65 <b>Bad Debt Expense</b>	<b>1,757</b>	-	-	<b>3</b>	<b>3</b>	<b>100%</b>
66 <b>Other Income, Expenses, Adjustments</b>	<b>(1,650)</b>	-	-	<b>698</b>	<b>698</b>	<b>100%</b>
<b>Non-Federal Debt Service</b>						
Energy Northwest Debt Service						
67 COLUMBIA GENERATING STATION DEBT SVC	101,519	100,172	92,203	96,880	68,882	71%
68 WNP-1 DEBT SVC	284,923	249,288	237,437	234,800	167,569	71%
69 WNP-3 DEBT SVC	158,713	175,817	174,617	170,691	130,843	77%
70 <b>Sub-Total</b>	<b>545,155</b>	<b>525,277</b>	<b>504,257</b>	<b>502,371</b>	<b>367,294</b>	<b>73%</b>
Non-Energy Northwest Debt Service						
71 CONSERVATION DEBT SVC	2,687	2,377	2,610	2,610	1,970	75%
72 COWLITZ FALLS DEBT SVC	11,715	11,709	11,709	11,595	8,782	76%
73 NORTHERN WASCO DEBT SVC	1,751	2,224	1,927	1,927	1,446	75%
74 <b>Sub-Total</b>	<b>16,153</b>	<b>16,309</b>	<b>16,247</b>	<b>16,133</b>	<b>12,198</b>	<b>76%</b>
75 <b>Non-Federal Debt Service Sub-Total</b>	<b>561,308</b>	<b>541,586</b>	<b>520,504</b>	<b>518,504</b>	<b>379,492</b>	<b>73%</b>
76 <b>Depreciation</b>	<b>111,724</b>	<b>127,560</b>	<b>119,100</b>	<b>126,500</b>	<b>95,146</b>	<b>75%</b>
77 <b>Amortization</b>	<b>87,562</b>	<b>86,767</b>	<b>92,303</b>	<b>92,478</b>	<b>70,081</b>	<b>76%</b>
78 <b>Total Operating Expenses</b>	<b>2,422,400</b>	<b>2,539,594</b>	<b>2,476,994</b>	<b>2,451,844</b>	<b>1,844,563</b>	<b>75%</b>
79 <b>Net Operating Revenues (Expenses)</b>	<b>208,934</b>	<b>219,937</b>	<b>182,105</b>	<b>207,409</b>	<b>195,877</b>	<b>94%</b>
<b>Interest Expense and (Income)</b>						
80 Federal Appropriation	205,652	222,714	216,977	218,106	163,733	75%
81 Capitalization Adjustment	(45,937)	(45,937)	(45,937)	(45,937)	(34,453)	75%
82 Borrowings from US Treasury	49,169	75,015	53,390	55,916	40,115	72%
83 Customer Prepaid Power Purchases	-	-	-	7,653	3,848	50%
84 AFUDC	(8,835)	(13,592)	(13,410)	(11,235)	(8,901)	79%
85 Interest Income	(30,301)	(16,756)	(11,500)	(16,617)	(11,129)	67%
86 <b>Net Interest Expense (Income)</b>	<b>169,748</b>	<b>221,444</b>	<b>199,520</b>	<b>207,886</b>	<b>153,213</b>	<b>74%</b>
87 <b>Total Expenses</b>	<b>2,592,149</b>	<b>2,761,038</b>	<b>2,676,514</b>	<b>2,659,730</b>	<b>1,997,776</b>	<b>75%</b>
88 <b>Net Revenues (Expenses)</b>	<b>\$ 39,185</b>	<b>\$ (1,507)</b>	<b>\$ (17,415)</b>	<b>\$ (476)</b>	<b>\$ 42,664</b>	<b>-9060%</b>

<1 Although the forecasts in this report are presented as point estimates, BPA operates a hydro-based system that encounters much uncertainty regarding water supply and wholesale market prices. These uncertainties among other factors may result in large range swings +/- impacting the final results in revenues, expenses, and cash reserves.

<2 The Residential Exchange Program expenses reflect the Scheduled Amount of REP benefits payments established in the 2012 REP Settlement Agreement. The Scheduled Amount of REP benefit payments incorporates a \$76,537,617 reduction in REP benefits to provide Refund Amount payments to COUs. The Refund Amount returned to the COUs is reflected through a reduction in the Gross Sales amount.

Report ID: 0061FY13

**Transmission Services Detailed Statement of Revenues and Expenses**

Run Date/Time: July 17, 2013 12:04

Requesting BL: TRANSMISSION BUSINESS UNIT

Through the Month Ended June 30, 2013

Data Source: EPM Data Warehouse

Unit of Measure: \$ Thousands

Preliminary/ Unaudited

% of Year Elapsed = 75%

		A	B	C	D <Note 1	E	F
		FY 2012	FY 2013			FY 2013	FY 2013
		Actuals	Rate Case	SOY Budget	Current EOY Forecast	Actuals	Actuals per Forecast
<b>Operating Revenues</b>							
<b>Sales</b>							
<b>Network</b>							
1	Network Integration	\$ 122,765	\$ 132,022	\$ 126,030	\$ 120,360	\$ 92,182	77%
2	Other Network	376,535	410,898	390,992	380,701	284,138	75%
3	Intertie	77,120	78,299	79,223	80,333	58,988	73%
4	Other Direct Sales	214,548	223,112	225,393	223,069	167,035	75%
5	Miscellaneous Revenues	30,263	31,802	38,615	50,348	33,094	66%
6	Inter-Business Unit Revenues	143,909	93,888	103,067	109,110	95,144	87%
7	<b>Total Operating Revenues</b>	<b>965,141</b>	<b>970,021</b>	<b>963,319</b>	<b>963,922</b>	<b>730,581</b>	<b>76%</b>
<b>Operating Expenses</b>							
<b>Transmission Operations</b>							
<b>System Operations</b>							
8	INFORMATION TECHNOLOGY	9,098	7,529	7,449	7,508	6,653	89%
9	POWER SYSTEM DISPATCHING	12,089	12,748	13,486	12,486	9,314	75%
10	CONTROL CENTER SUPPORT	13,646	14,498	14,583	14,585	10,510	72%
11	TECHNICAL OPERATIONS	3,816	8,623	5,029	4,396	3,118	71%
12	SUBSTATION OPERATIONS	21,947	21,735	21,634	21,569	16,098	75%
13	<b>Sub-Total</b>	<b>60,595</b>	<b>65,133</b>	<b>62,181</b>	<b>60,544</b>	<b>45,694</b>	<b>75%</b>
<b>Scheduling</b>							
14	RESERVATIONS	4,064	1,109	5,466	4,667	3,044	65%
15	PRE-SCHEDULING	216	486	245	245	166	68%
16	REAL-TIME SCHEDULING	3,758	5,185	4,757	3,601	2,882	80%
17	SCHEDULING TECHNICAL SUPPORT	948	5,749	402	451	346	77%
18	SCHEDULING AFTER-THE-FACT	236	462	257	257	174	68%
19	<b>Sub-Total</b>	<b>9,222</b>	<b>12,991</b>	<b>11,129</b>	<b>9,222</b>	<b>6,613</b>	<b>72%</b>
<b>Marketing and Business Support</b>							
20	TRANSMISSION SALES	2,787	3,362	3,089	2,848	1,918	67%
21	MKTG TRANSMISSION FINANCE	286	310	-	(6)	(6)	100%
22	MKTG CONTRACT MANAGEMENT	4,442	4,572	4,699	4,306	3,375	78%
23	MKTG TRANSMISSION BILLING	2,229	2,382	2,790	2,636	1,911	73%
24	MKTG BUSINESS STRAT & ASSESS	6,603	6,670	6,593	6,613	5,039	76%
25	<b>Marketing Sub-Total</b>	<b>16,345</b>	<b>17,296</b>	<b>17,171</b>	<b>16,396</b>	<b>12,237</b>	<b>75%</b>
26	EXECUTIVE AND ADMIN SERVICES	12,204	13,764	13,330	11,734	6,911	59%
27	LEGAL SUPPORT	3,034	3,227	4,057	2,989	1,665	56%
28	TRANS SERVICES INTERNAL GENERAL & ADMINISTRATIVE	13,995	11,949	14,456	13,833	7,163	52%
29	AIRCRAFT SERVICES	1,082	2,438	2,287	1,808	836	46%
30	LOGISTICS SERVICES	4,839	5,792	5,636	5,540	3,772	68%
31	SECURITY ENHANCEMENTS	475	1,001	1,001	951	372	39%
32	<b>Business Support Sub-Total</b>	<b>35,630</b>	<b>38,170</b>	<b>40,767</b>	<b>36,854</b>	<b>20,721</b>	<b>56%</b>
33	<b>Transmission Operations Sub-Total</b>	<b>\$ 121,792</b>	<b>\$ 133,590</b>	<b>\$ 131,248</b>	<b>\$ 123,016</b>	<b>\$ 85,264</b>	<b>69%</b>

Report ID: 0061FY13

## Transmission Services Detailed Statement of Revenues and Expenses

Run Date/Time: July 17, 2013 12:04

Requesting BL: TRANSMISSION BUSINESS UNIT

Through the Month Ended June 30, 2013

Data Source: EPM Data Warehouse

Unit of Measure: \$ Thousands

Preliminary/ Unaudited

% of Year Elapsed = 75%

	A	B	C	D <Note 1	E	F
	FY 2012	FY 2013			FY 2013	FY 2013
	Actuals	Rate Case	SOY Budget	Current EOY Forecast	Actuals	Actuals per Forecast
Transmission Maintenance						
System Maintenance						
34 NON-ELECTRIC MAINTENANCE	\$ 25,900	\$ 27,033	\$ 26,917	\$ 26,888	\$ 18,323	68%
35 SUBSTATION MAINTENANCE	28,056	30,825	30,791	28,810	19,364	67%
36 TRANSMISSION LINE MAINTENANCE	24,984	26,664	26,198	23,396	20,450	87%
37 SYSTEM PROTECTION CONTROL MAINTENANCE	11,651	13,215	12,852	12,850	9,016	70%
38 POWER SYSTEM CONTROL MAINTENANCE	12,637	13,850	16,326	17,099	12,149	71%
39 JOINT COST MAINTENANCE	146	212	212	217	103	48%
40 SYSTEM MAINTENANCE MANAGEMENT	4,879	6,516	7,544	7,072	4,765	67%
41 ROW MAINTENANCE	5,243	25,256	8,438	8,747	4,334	50%
42 HEAVY MOBILE EQUIP MAINT		(19)	-	-	(137)	0%
43 TECHNICAL TRAINING	2,443	2,991	2,888	2,888	1,658	57%
44 VEGETATION MANAGEMENT	16,141	-	16,818	16,513	10,257	62%
45 Sub-Total	132,079	146,545	148,984	144,481	100,281	69%
Environmental Operations						
46 ENVIRONMENTAL ANALYSIS	10	82	82	82		0%
47 POLLUTION PREVENTION AND ABATEMENT	3,288	4,204	4,212	4,245	2,304	54%
48 Sub-Total	3,298	4,286	4,294	4,327	2,304	53%
49 Transmission Maintenance Sub-Total	135,377	150,831	153,278	148,808	102,586	69%
Transmission Engineering						
System Development						
50 RESEARCH & DEVELOPMENT	6,653	8,000	7,990	7,269	3,907	54%
51 TSD PLANNING AND ANALYSIS	12,734	11,895	14,699	15,948	11,361	71%
52 CAPITAL TO EXPENSE TRANSFER	11,765	4,072	4,072	4,073	3,275	80%
53 NERC / WECC COMPLIANCE	9,916	7,008	12,936	12,135	8,643	71%
54 ENVIRONMENTAL POLICY/PLANNING	1,188	1,828	1,776	1,885	867	46%
55 ENG RATING AND COMPLIANCE	3,855	-	382	1,182	1,029	87%
56 Sub-Total	46,111	32,803	41,855	42,493	29,082	68%
57 Transmission Engineering Sub-Total	46,111	32,803	41,855	42,493	29,082	68%
Trans. Services Transmission Acquisition and Ancillary Services						
BBL Acquisition and Ancillary Products and Services						
58 ANCILLARY SERVICES PAYMENTS	121,528	117,777	125,731	128,156	98,186	77%
59 OTHER PAYMENTS TO POWER SERVICES	9,536	9,362	9,363	9,364	7,023	75%
60 STATION SERVICES PAYMENTS	3,652	3,350	3,350	3,337	2,475	74%
61 Sub-Total	134,716	130,489	138,444	140,857	107,684	76%
Non-BBL Acquisition and Ancillary Products and Services						
62 LEASED FACILITIES	4,419	4,224	4,200	3,800	3,305	87%
63 GENERAL TRANSFER AGREEMENTS (SETTLEMENT)	12,724	509	500	3,030	2,668	88%
64 NON-BBL ANCILLARY SERVICES	395	6,857	4,120	3,922	2,568	65%
65 TRANSMISSION RENEWABLES	555	-	561	587	309	53%
66 Sub-Total	18,093	11,590	9,381	11,339	8,850	78%
67 Trans. Svcs. Acquisition and Ancillary Services Sub-Total	152,809	142,079	147,825	152,195	116,534	77%
Transmission Reimbursables						
Reimbursables						
68 EXTERNAL REIMBURSABLE SERVICES	24,913	7,580	6,927	8,862	22,348	252%
69 INTERNAL REIMBURSABLE SERVICES	1,809	2,334	2,756	2,863	1,468	51%
70 Sub-Total	26,722	9,914	9,682	11,725	23,816	203%
71 Transmission Reimbursables Sub-Total	\$ 26,722	\$ 9,914	\$ 9,682	\$ 11,725	\$ 23,816	203%

Report ID: 0061FY13

**Transmission Services Detailed Statement of Revenues and Expenses**

Run Date/Time: July 17, 2013 12:04

Requesting BL: TRANSMISSION BUSINESS UNIT

Through the Month Ended June 30, 2013

Data Source: EPM Data Warehouse

Unit of Measure: \$ Thousands

Preliminary/ Unaudited

% of Year Elapsed = 75%

	A	B	C	D <Note 1	E	F
	FY 2012	FY 2013			FY 2013	FY 2013
	Actuals	Rate Case	SOY Budget	Current EOY Forecast	Actuals	Actuals per Forecast
<b>BPA Internal Support</b>						
72 Additional Post-Retirement Contribution	\$ 17,243	\$ 17,821	\$ 17,821	\$ 17,821	\$ 13,365	75%
73 Agency Services G & A (excludes direct project support)	57,065	60,961	58,357	59,802	43,380	73%
74 <b>BPA Internal Support Subtotal</b>	<b>74,308</b>	<b>78,781</b>	<b>76,177</b>	<b>77,623</b>	<b>56,745</b>	<b>73%</b>
<b>Other Income, Expenses, and Adjustments</b>						
75 Bad Debt Expense	(27)	-	-	19	19	100%
76 Other Income, Expenses, Adjustments	(253)	-	-	599	599	100%
77 Undistributed Reduction	-	-	(2,297)	-	-	0%
78 Depreciation	188,681	216,397	195,220	200,960	149,257	74%
79 Amortization	1,130	1,727	1,760	1,720	1,221	71%
80 <b>Total Operating Expenses</b>	<b>746,650</b>	<b>766,122</b>	<b>754,748</b>	<b>759,159</b>	<b>565,123</b>	<b>74%</b>
81 <b>Net Operating Revenues (Expenses)</b>	<b>218,491</b>	<b>203,899</b>	<b>208,572</b>	<b>204,763</b>	<b>165,458</b>	<b>81%</b>
<b>Interest Expense and (Income)</b>						
82 Federal Appropriation	26,712	10,396	18,600	18,641	13,981	75%
83 Capitalization Adjustment	(18,968)	(18,968)	(18,968)	(18,968)	(14,226)	75%
84 Borrowings from US Treasury	76,499	137,582	79,730	82,831	59,748	72%
85 Debt Service Reassignment	57,233	52,556	51,498	53,671	40,505	75%
86 Customer Advances	10,709	25,188	10,500	8,375	5,842	70%
87 Lease Financing	27,898	22,133	48,996	30,566	22,882	75%
88 AFUDC	(37,010)	(32,255)	(33,400)	(31,400)	(23,933)	76%
89 Interest Income	(13,293)	(21,467)	(17,260)	(14,067)	(9,510)	68%
90 <b>Net Interest Expense (Income)</b>	<b>129,781</b>	<b>175,165</b>	<b>139,697</b>	<b>129,649</b>	<b>95,288</b>	<b>73%</b>
91 <b>Total Expenses</b>	<b>876,431</b>	<b>941,287</b>	<b>894,444</b>	<b>888,808</b>	<b>660,411</b>	<b>74%</b>
92 <b>Net Revenues (Expenses)</b>	<b>\$ 88,710</b>	<b>\$ 28,734</b>	<b>\$ 68,875</b>	<b>\$ 75,114</b>	<b>\$ 70,169</b>	<b>93%</b>

<1 Although the forecasts in this report are presented as point estimates, BPA operates a hydro-based system that encounters much uncertainty regarding water supply and wholesale market prices. These uncertainties, among other factors, may result in large range swings +/- impacting the final results in revenues, expenses, and cash reserves.

Report ID: 0067FY13

Requesting BL: CORPORATE BUSINESS UNIT

Unit of Measure: \$Thousands

**BPA Statement of Capital Expenditures**

FYTD Through the Month Ended June 30, 2013

Preliminary Unaudited

Run Date/Run Time: July 17, 2013/ 12:06

Data Source: EPM Data Warehouse

% of Year Elapsed = 75%

A	B	C	D	E	F
FY 2013		FY 2013		FY 2013	
SOY Budget	Current EOY Forecast	Actuals: Jun	Actuals: FYTD	Actuals / SOY Budget	Actuals / Forecast

**Transmission Business Unit**

## MAIN GRID

1	MID-COLUMBIA REINFORCEMENT	\$ -	\$ 61	\$ 55	\$ 276	0%	455%
2	CENTRAL OREGON REINFORCEMENT	6,699	6,247	30	6,538	98%	105%
3	BIG EDDY-KNIGHT 500kv PROJECT	48,316	35,761	2,263	33,075	68%	92%
4	OLYMPIC PENINSULA REINFORCEMENT	1,639	688	96	662	40%	96%
5	WEST OF MCNARY INTEGRATION PROJECT	68	2,853	3	2,369	3484%	83%
6	I-5 CORRIDOR UPGRADE PROJECT	15,171	10,889	943	7,555	50%	69%
7	CENTRAL FERRY- LOWER MONUMENTAL	46,366	1,475	47	1,270	3%	86%
8	SEATTLE-PUDGET SOUND AREA	8,049	1,125	71	162	2%	14%
9	PORTLAND-VANCOUVER	2,222	6,191	534	5,115	230%	83%
10	WEST OF CASCADES NORTH	1,523	403	172	553	36%	137%
11	NORTHERN INTERTIE	250	57		38	15%	67%
12	SALEM- ALBANY-EUGENE AREA	275	448	19	215	78%	48%
13	TRI-CITIES AREA	7,197	7,586	475	3,757	52%	50%
14	MONTANA-WEST OF HATWAI	7,699	464	7	109	1%	24%
15	NERC CRITERIA COMPLIANCE	6,612	-	-	-	0%	0%
16	MISC. MAIN GRID PROJECTS	8,303	9,843	(200)	8,156	98%	83%
17	<b>TOTAL MAIN GRID</b>	<b>160,391</b>	<b>84,090</b>	<b>4,518</b>	<b>69,851</b>	<b>44%</b>	<b>83%</b>

## AREA &amp; CUSTOMER SERVICE

18	ROGUE SVC ADDITION	1,393	209	44	431	31%	206%
19	CITY OF CENTRALIA PROJECT	-	42	1	6	0%	13%
20	SOUTHERN IDAHO - LOWER VALLEY	14,425	4,988	367	3,059	21%	61%
21	LONGVIEW AREA REINFORCEMENT	355	255	50	192	54%	75%
22	KALISPELL-FLATHEAD VALLEY	2,338	3,767	436	1,619	69%	43%
23	MISC. AREA & CUSTOMER SERVICE	4,592	3,381	348	2,014	44%	60%
24	<b>TOTAL AREA &amp; CUSTOMER SERVICE</b>	<b>\$ 23,103</b>	<b>\$ 12,641</b>	<b>\$ 1,246</b>	<b>\$ 7,320</b>	<b>32%</b>	<b>58%</b>



Report ID: 0067FY13

Requesting BL: CORPORATE BUSINESS UNIT

Unit of Measure: \$Thousands

**BPA Statement of Capital Expenditures**

FYTD Through the Month Ended June 30, 2013

Preliminary Unaudited

Run Date/Run Time: July 17, 2013/ 12:06

Data Source: EPM Data Warehouse

% of Year Elapsed = 75%

A	B	C	D	E	F
FY 2013		FY 2013		FY 2013	
SOY Budget	Current EOY Forecast	Actuals: Jun	Actuals: FYTD	Actuals / SOY Budget	Actuals / Forecast

**Transmission Business Unit (Continued)**

SYSTEM REPLACEMENTS											
25	TEAP - TOOLS	\$	2,000	\$	1,226	\$	128	\$	326	16%	27%
26	TEAP - EQUIPMENT		8,456		6,807		474		3,446	41%	51%
27	SPC - SER		5,508		8,246		561		3,465	63%	42%
28	SPC - DFRS		200		876		4		833	417%	95%
29	SPC - METERING		596		765		92		278	47%	36%
30	SPC - CONTROL AND INDICATION		1,724		1,958		463		1,908	111%	97%
31	SPC - RELAYS		24,838		11,154		892		5,269	21%	47%
32	PSC - TELEPHONE SYSTEMS		306		299		33		163	53%	55%
33	PSC - TRANSFER TRIP		12,346		7,490		424		3,731	30%	50%
34	PSC - FIN/OP NETWORKS		95		340		6		170	179%	50%
35	PSC - TLECOM TRANSPORT		1,179		850		55		818	69%	96%
36	PSC - SCADA/TELEMTRY/SUP CNTRL		1,269		1,235		124		1,131	89%	92%
37	PSC- TELECOM SUPPORT EQUIPMENT		1,469		4,855		318		1,946	133%	40%
38	SUB DC- PWR ELCTRNC & SRS CAPS		13,436		18,160		1,990		11,858	88%	65%
39	SUB AC- BUS & STRUCTURES		610		882		237		984	161%	112%
40	SUB AC - LOW VOLTAGE AUX.		5,055		7,356		663		3,161	63%	43%
41	SUB AC- SHUNT CAPACITORS		50		2,022		238		314	627%	16%
42	SUB AC-CIRCUIT BRKR & SWTCH GR		20,272		19,600		3,290		11,292	56%	58%
43	SUB AC - CVT/PT/CT & ARRESTERS		1,244		3,611		294		2,655	213%	74%
44	SUB AC-TRANSFORMERS & REACTORS		9,813		10,616		121		595	6%	6%
45	LINES - STEEL HARDWARE REPLCMT		32,898		28,600		2,748		18,063	55%	63%
46	LINES - WOOD POLE LN REBUILDS		50,727		49,081		4,064		37,452	74%	76%
47	MISC. REPLACEMENT PROJECTS		-		689		(1,619)		1,225	0%	178%
48	MISC FACILITIES- NON-ELECTRIC		33,447		28,090		1,038		5,942	18%	21%
49	TOTAL SYSTEM REPLACEMENTS	\$	227,542	\$	214,807	\$	16,640	\$	117,025	51%	54%

Report ID: 0067FY13

Requesting BL: CORPORATE BUSINESS UNIT

Unit of Measure: \$Thousands

**BPA Statement of Capital Expenditures**

FYTD Through the Month Ended June 30, 2013

Preliminary Unaudited

Run Date/Run Time: July 17, 2013/ 12:06

Data Source: EPM Data Warehouse

% of Year Elapsed = 75%

		FY 2013		FY 2013		FY 2013	
		SOY Budget	Current EOY Forecast	Actuals: Jun	Actuals: FYTD	Actuals / SOY Budget	Actuals / Forecast
<b>Transmission Business Unit (Continued)</b>							
UPGRADES & ADDITIONS							
50	IT PROJECTS	\$ 2,851	\$ 8,577	\$ 639	\$ 5,179	182%	60%
51	SECURITY ENHANCEMENTS	11,001	6,131	1,024	2,370	22%	39%
52	LAND RIGHTS - ACCESS ROADS	5,819	5,737	985	4,747	82%	83%
53	LAND RIGHTS- VEG MITIGATION	582	676	162	376	65%	56%
54	LAND RIGHTS - TRIBAL RENEWALS	1,261	933	26	138	11%	15%
55	ACCESS ROADS	18,247	15,783	1,998	8,957	49%	57%
56	SUBSTATION UPGRADES	21,208	17,989	1,247	9,097	43%	51%
57	LINE SWITCH UPGRADES	300	-	-	-	0%	0%
58	LINE CAPACITY UPGRADES	1,000	1,365	78	1,000	100%	73%
59	CELILO UPGRADES PROJECT	106,775	59,111	24,772	34,994	33%	59%
60	CONTROL CENTERS	2,385	312	-	3	0%	1%
61	CC SYSTEM & APPLICATION	4,107	1,907	132	1,019	25%	53%
62	CC INFRASTRUCTURE COMPONENTS	7,054	4,731	150	2,407	34%	51%
63	SYSTEM TELECOMMUNICATION	48,010	39,178	4,773	20,423	43%	52%
64	MISC. UPGRADES AND ADDITIONS	24,646	41,895	(18,443)	28,523	116%	68%
65	<b>TOTAL UPGRADES &amp; ADDITIONS</b>	<b>255,246</b>	<b>204,325</b>	<b>17,542</b>	<b>119,232</b>	<b>47%</b>	<b>58%</b>
ENVIRONMENT CAPITAL							
66	MISC. ENVIRONMENT PROJECTS	6,483	8,110	539	4,134	64%	51%
67	<b>TOTAL ENVIRONMENT CAPITAL</b>	<b>6,483</b>	<b>8,110</b>	<b>539</b>	<b>4,134</b>	<b>64%</b>	<b>51%</b>
68	<b>CAPITAL DIRECT</b>	<b>672,764</b>	<b>523,973</b>	<b>40,484</b>	<b>317,562</b>	<b>47%</b>	<b>61%</b>
PFIA							
69	MISC. PFIA PROJECTS	12,520	10,616	831	7,539	60%	71%
70	GENERATOR INTERCONNECTION	38,862	(240)	932	2,897	7%	-1208%
71	SPECTRUM RELOCATION	1,296	914	1	739	57%	81%
72	<b>TOTAL PFIA</b>	<b>52,678</b>	<b>11,291</b>	<b>1,763</b>	<b>11,176</b>	<b>21%</b>	<b>99%</b>
73	<b>CAPITAL INDIRECT</b>	<b>()</b>	<b>-</b>	<b>(1,444)</b>	<b>11,734</b>	<b>0%</b>	<b>0%</b>
74	LAPSE FACTOR	(72,273)	-	-	-	0%	0%
75	<b>TOTAL Transmission Business Unit</b>	<b>\$ 653,169</b>	<b>\$ 535,263</b>	<b>\$ 40,804</b>	<b>\$ 340,472</b>	<b>52%</b>	<b>64%</b>



## **Proposed Schedule for Slice True-Up Adjustment for Composite Cost Pool True-Up Table and Cost Verification Process**

<b>Dates</b>	<b>Agenda</b>
<b>July 30, 2013</b>	Third Quarter Business Review Meeting with customers Slice True-Up Adjustment estimate for the Composite Cost Pool and review High Level explanation of variances between rate case forecast and Q3 forecast Q&A customers for any additional information of line items in the Slice True-Up Revisit any questions and data requests that were asked during Q2 as needed
<b>October 2013</b>	BPA External CPA firm conducting audit for fiscal year end
<b>Mid-October 2013</b>	Recording the End of Fiscal Year Slice True-Up Adjustment Accrual for the Composite Cost Pool in the financial system
<b>End of October 2013</b>	Final audited actual financial data is expected to be available
<b>November 5, 2013</b>	Fourth Quarter Business Review Meeting with customers Provide Slice True-Up Adjustment for the Composite Cost Pool (this is the number posted in the financial system and is expected to be the final number)
<b>November 18, 2013</b>	Mail notification to Slice Customers of the Slice True-Up Adjustment for the Composite Cost Pool
<b>November 20, 2013</b>	BPA to post Composite Cost Pool True-Up Table containing actual values and the Slice True-Up Adjustment

## **Proposed Schedule for Slice True-Up Adjustment for Composite Cost Pool True-Up Table and Cost Verification Process**

<b>December 12, 2013</b>	Deadline for customers to submit questions about actual line items in the Composite Cost Pool True-Up Table with the Slice True-Up Adjustment for inclusion in the Agreed Upon Procedures (AUPs) Performed by BPA external CPA firm (customers have 15 business days following the posting of Composite Cost Pool Table containing actual values and the Slice True-Up Adjustment)
<b>December 20, 2013</b>	BPA posts a draft list of AUP tasks to be performed (Attachment A does not specify an exact date)
<b>January 7, 2014</b>	Customer comments are due on the list of tasks (The deadline can not exceed 10 days from BPA posting)
<b>January 14, 2014</b>	BPA finalizes list of questions about actual lines items in the Composite Cost Pool True-Up Table for the AUPs
<b>January 16, 2014</b>	External auditor to begin the work on the AUP tasks requested by customers
<b>March 17, 2014</b>	External auditor to complete the AUPs (may have up to 120 calendar days)
<b>March 24, 2014</b>	Initial Cost Verification Workshop
<b>April 17, 2014</b>	Customer comment period deadline
<b>April 24, 2014</b>	Follow-up Cost Verification Workshop
<b>May 15, 2014</b>	BPA Draft Response on AUP Report and questions/items raised during workshops
<b>End of May 2014</b>	If customers do not deliver any notice of grievances, BPA will issue a Final Response on the AUP Report



## 4h10c Credits: FY2013

Estimated 4h10c Credits (\$ millions)	FY13 Rate Case	Start Of Year	1st Quarter	2nd Quarter	3rd Quarter	August DOE Certification	Final Calculations
Power Purchases Caused by Operations for Fish & Wildlife	\$ 137.0 BP-12 Rate Case 70-yr average	\$ 53.1 STD03 forecasts Oct-Sep	\$ 50.3 Actual Generation Oct-Dec, Study08 forecasts Jan-Sep	\$ 76.7 Actual Credits Oct-Dec, Actual Generation Jan- Apr, Study14 forecasts May-Sep	\$ 83.5 Actual Credits Oct-Mar, Actual Generation Apr- Jun, Study18 forecasts Jul-Sep		
Expense	\$ 241.0	\$ 242.9	\$ 242.9	\$ 242.9	\$ 242.9		
F&W Program Software	\$ 1.8	\$ 1.8	\$ 1.8	\$ 1.8	\$ 1.8		
Capital	\$ 50.0	\$ 67.1	\$ 67.1	\$ 67.1	\$ 67.1		
Total	\$ 429.8	\$ 365.0	\$ 362.2	\$ 388.6	\$ 395.4		
<b>Credit (22.3%)</b>	<b>\$ 95.8</b>	<b>\$ 81.4</b>	<b>\$ 80.8</b>	<b>\$ 86.6</b>	<b>\$ 88.2</b>		

### Comments on the Power Purchase Forecasts:

- For the Rate Case we estimated a 4(h)(10)(C) credit for each of the 70 historic water years in the Rate Case study and used the average of these estimates. The estimates can vary significantly each year; for instance, the 70 years of 4(h)(10)(C) estimates ranged from \$70 million to \$240 million.
- For Start-of-year we estimated power purchases based on ESP forecasts from Study 03, the forecasted actual generation was similar to the average rate case generation, but prices were significantly lower, which caused the forecast to fall below the expected range from the Rate Case.
- For 1<sup>st</sup> Quarter we forecasted power purchases for Oct-Dec based on actual generation and prices, and we forecasted Jan-Sep based on ESP forecasts from Study 08. The estimate was similar to the start-of-year.
- For 2<sup>nd</sup> Quarter we have actual credits calculated for Oct-Dec; we forecasted power purchases for Jan-Apr based on actual generation and prices; and we forecasted May-Sep credits based on ESP forecasts from Study 14. Streamflows and generation decreased, so the power purchase forecast increased.
- For 3<sup>rd</sup> Quarter we have actual credits calculated for Oct-Mar; we forecasted power purchases for Apr-Jun based on actual generation and prices; and we forecasted Jul-Sep credits based on ESP forecasts from Study 18. Power purchase forecast increased because Mar actual calculation was higher than forecast, and Sep forecast increased due to update in Canadian operation and increased price forecast.

# Composite Cost Pool True-Up Table

		Q3 Forecast	FY 2013 Rate Case Forecast	Q3 - FY 2013 Rate Case Difference	Q2 Forecast	Q2 - Rate Case Difference
		(\$000)	(\$000)	(\$000)	(\$000)	(\$000)
1	<b>Operating Expenses</b>					
2	<b>Power System Generation Resources</b>					
3	<b>Operating Generation</b>					
4	COLUMBIA GENERATING STATION (WNP-2)	\$ 330,147	\$ 345,945	\$ (15,798)	\$ 335,298	\$ (5,151)
5	BUREAU OF RECLAMATION	\$ 128,691	\$ 119,891	\$ 8,800	\$ 128,691	\$ -
6	CORPS OF ENGINEERS	\$ 215,700	\$ 215,700	\$ -	\$ 215,700	\$ -
8	LONG-TERM CONTRACT GENERATING PROJECTS	\$ 23,490	\$ 25,832	\$ (2,342)	\$ 25,258	\$ (1,768)
9	<b>Sub-Total</b>	<b>\$ 698,028</b>	<b>\$ 707,368</b>	<b>\$ (9,340)</b>	<b>\$ 704,947</b>	<b>\$ (6,919)</b>
10	<b>Operating Generation Settlement Payment and Other Payments</b>					
11	COLVILLE GENERATION SETTLEMENT	\$ 22,121	\$ 22,148	\$ (26)	\$ 22,121	\$ -
12	SPOKANE LEGISLATION SETTLEMENT	\$ -	\$ -	\$ -	\$ -	\$ -
13	<b>Sub-Total</b>	<b>\$ 22,121</b>	<b>\$ 22,148</b>	<b>\$ (26)</b>	<b>\$ 22,121</b>	<b>\$ -</b>
14	<b>Non-Operating Generation</b>					
15	TROJAN DECOMMISSIONING	\$ (23,000)	\$ 1,500	\$ (24,500)	\$ 1,500	\$ (24,500)
16	WNP-1&3 DECOMMISSIONING	\$ 600	\$ 448	\$ 152	\$ 716	\$ (116)
17	<b>Sub-Total</b>	<b>\$ (22,400)</b>	<b>\$ 1,948</b>	<b>\$ (24,348)</b>	<b>\$ 2,216</b>	<b>\$ (24,616)</b>
18	<b>Gross Contracted Power Purchases</b>					
19	PNCA HEADWATER BENEFITS	\$ 2,900	\$ 2,704	\$ 196	\$ 3,207	\$ (307)
20	HEDGING/MITIGATION (omit except for those assoc. with augmentation)		\$ -	\$ -		\$ -
	GROSS OTHER POWER PURCHASES (omit, except for those assoc. with Designated BPA System Obligations or Designated BPA Contract Purchases					
21		\$ 7,775	\$ -	\$ 7,775	\$ 8,513	\$ (737)
22	<b>Sub-Total</b>	<b>\$ 10,675</b>	<b>\$ 2,704</b>	<b>\$ 7,971</b>	<b>\$ 11,720</b>	<b>\$ (1,044)</b>
23	<b>Bookout Adjustment to Power Purchases (omit)</b>					
24	<b>Augmentation Power Purchases (omit - calculated below)</b>					
25	AUGMENTATION POWER PURCHASES					
26	<b>Sub-Total</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>
27	<b>Exchanges and Settlements</b>					
28	RESIDENTIAL EXCHANGE PROGRAM (REP)	\$ 202,689	\$ 201,760	\$ 929	\$ 203,513	\$ (824)
29	REP ADMINISTRATION COSTS (actuals are included under strategy and exchange)	\$ -	\$ 885	\$ (885)	\$ -	\$ -
30	OTHER SETTLEMENTS	\$ -	\$ -	\$ -	\$ -	\$ -
31	<b>Sub-Total</b>	<b>\$ 202,689</b>	<b>\$ 202,645</b>	<b>\$ 44</b>	<b>\$ 203,513</b>	<b>\$ (824)</b>
32	<b>Renewable Generation</b>					
33	RENEWABLES R&D (moved to Power R&D after rate case)		\$ 5,939	\$ (5,939)		\$ -
34	Contra expense for unspent GEP revenues remaining at end of FY 2011	\$ (2,625)	\$ (2,625)	\$ -	\$ (3,793)	\$ 1,168
35	RENEWABLES (excludes KIII)	\$ 26,394	\$ 28,145	\$ (1,750)	\$ 25,537	\$ 858
36	<b>Sub-Total</b>	<b>\$ 23,770</b>	<b>\$ 31,459</b>	<b>\$ (7,689)</b>	<b>\$ 21,744</b>	<b>\$ 2,026</b>

# Composite Cost Pool True-Up Table

		Q3 Forecast	FY 2013 Rate Case Forecast	Q3 - FY 2013 Rate Case Difference	Q2 Forecast	Q2 - Rate Case Difference
		(\$000)	(\$000)	(\$000)	(\$000)	(\$000)
37	<b>Generation Conservation</b>					
38	GENERATION CONSERVATION R&D (moved to Power R&D after rate case)		\$ -	\$ -		\$ -
39	DSM TECHNOLOGY	\$ (0)	\$ -	\$ (0)	\$ (0)	\$ (0)
40	CONSERVATION ACQUISITION	\$ 13,436	\$ 15,950	\$ (2,514)	\$ 15,461	\$ (2,025)
41	LOW INCOME WEATHERIZATION & TRIBAL	\$ 5,080	\$ 5,000	\$ 80	\$ 5,000	\$ 80
42	ENERGY EFFICIENCY DEVELOPMENT	\$ 7,200	\$ 11,500	\$ (4,300)	\$ 9,675	\$ (2,475)
43	LEGACY	\$ 800	\$ 900	\$ (100)	\$ 800	\$ -
44	MARKET TRANSFORMATION	\$ 14,880	\$ 14,500	\$ 380	\$ 14,500	\$ 380
45	<b>Sub-Total</b>	<b>\$ 41,396</b>	<b>\$ 47,850</b>	<b>\$ (6,454)</b>	<b>\$ 45,436</b>	<b>\$ (4,040)</b>
46	<b>Conservation Rate credit (CRC)</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>
47	<b>Power System Generation Sub-Total</b>	<b>\$ 976,279</b>	<b>\$ 1,016,121</b>	<b>\$ (39,841)</b>	<b>\$ 1,011,698</b>	<b>\$ (35,418)</b>
48						
49	<b>Power Non-Generation Operations</b>					
50	<b>Power Services System Operations</b>					
51	EFFICIENCIES PROGRAM (moved to Power R&D after rate case)		\$ -	\$ -		\$ -
52	PS SYSTEM OPERATIONS R&D (moved to Power R&D after rate case)		\$ -	\$ -		\$ -
53	INFORMATION TECHNOLOGY	\$ 7,182	\$ 7,316	\$ (134)	\$ 7,048	\$ 134
54	GENERATION PROJECT COORDINATION	\$ 6,622	\$ 5,919	\$ 703	\$ 6,932	\$ (310)
55	SLICE IMPLEMENTATION	\$ 999	\$ 2,394	\$ (1,395)	\$ 1,099	\$ (100)
56	<b>Sub-Total</b>	<b>\$ 14,803</b>	<b>\$ 15,629</b>	<b>\$ (826)</b>	<b>\$ 15,078</b>	<b>\$ (276)</b>
57	<b>Power Services Scheduling</b>					
58	OPERATIONS SCHEDULING	\$ 10,312	\$ 10,010	\$ 302	\$ 10,312	\$ -
59	PS SCHEDULING R&D (moved to Power R&D after rate case)		\$ -	\$ -		\$ -
60	OPERATIONS PLANNING	\$ 6,937	\$ 6,709	\$ 228	\$ 7,287	\$ (350)
61	<b>Sub-Total</b>	<b>\$ 17,249</b>	<b>\$ 16,719</b>	<b>\$ 530</b>	<b>\$ 17,599</b>	<b>\$ (350)</b>
62	<b>Power Services Marketing and Business Support</b>					
63	POWER R&D (forecast includes all the R&D items)	\$ 5,925		\$ 5,925	\$ 5,976	\$ (51)
64	SALES & SUPPORT	\$ 17,948	\$ 20,130	\$ (2,182)	\$ 18,075	\$ (127)
65	STRATEGY, FINANCE & RISK MGMT (actuals will include a part of REP adm	\$ 15,958	\$ 17,412	\$ (1,454)	\$ 16,030	\$ (72)
66	EXECUTIVE AND ADMINISTRATIVE SERVICES (actuals will include a part o	\$ 3,981	\$ 3,550	\$ 431	\$ 3,940	\$ 41
67	CONSERVATION SUPPORT	\$ 8,258	\$ 9,686	\$ (1,428)	\$ 8,360	\$ (103)
68	<b>Sub-Total</b>	<b>\$ 52,069</b>	<b>\$ 50,778</b>	<b>\$ 1,291</b>	<b>\$ 52,381</b>	<b>\$ (312)</b>
69	<b>Power Non-Generation Operations Sub-Total</b>	<b>\$ 84,121</b>	<b>\$ 83,126</b>	<b>\$ 995</b>	<b>\$ 85,059</b>	<b>\$ (938)</b>
70	<b>Power Services Transmission Acquisition and Ancillary Services</b>					
71	<b>PS Transmission Acquisition and Ancillary Services</b>					
72	POWER SERVICES TRANSMISSION & ANCILLARY SERVICES					
73	Transmission costs for Designated BPA System Obligations (not subject	\$ 31,707	\$ 31,707	\$ -	\$ 31,707	\$ -
74	3RD PARTY GTA WHEELING	\$ 52,891	\$ 52,891	\$ -	\$ 52,891	\$ -
75	POWER SERVICES - 3RD PARTY TRANS & ANCILLARY SVCS (omit)					
76	GENERATION INTEGRATION (WIT expense included)	\$ 12,968	\$ 8,709	\$ 4,259	\$ 12,968	\$ -
77	WIND INTEGRATION TEAM	\$ -	\$ 4,259	\$ (4,259)	\$ -	\$ -
78	TELEMETERING/EQUIP REPLACEMT	\$ 51	\$ 51	\$ -	\$ 51	\$ -
79	<b>Power Services Trans Acquisition and Ancillary Serv Sub-Total</b>	<b>\$ 97,617</b>	<b>\$ 97,617</b>	<b>\$ (0)</b>	<b>\$ 97,617</b>	<b>\$ -</b>

# Composite Cost Pool True-Up Table

		Q3 Forecast	FY 2013 Rate Case Forecast	Q3 - FY 2013 Rate Case Difference	Q2 Forecast	Q2 - Rate Case Difference
		(\$000)	(\$000)	(\$000)	(\$000)	(\$000)
80	<b>Fish and Wildlife/USF&amp;W/Planning Council/Environmental Req</b>					
81	<b>BPA Fish and Wildlife (includes F&amp;W Shared Services)</b>					
82	<b>Fish &amp; Wildlife</b>	\$ 242,959	\$ 241,384	\$ 1,575	\$ 242,951	\$ 8
83	<b>USF&amp;W Lower Snake Hatcheries</b>	\$ 28,880	\$ 29,900	\$ (1,020)	\$ 28,880	\$ -
84	<b>Planning Council</b>	\$ 10,355	\$ 10,355	\$ -	\$ 10,355	\$ -
85	<b>Environmental Requirements</b>	\$ -	\$ 305	\$ (305)	\$ -	\$ -
86	<b>Fish and Wildlife/USF&amp;W/Planning Council Sub-Total</b>	\$ 282,194	\$ 281,944	\$ 249	\$ 282,186	\$ 8
87	<b>BPA Internal Support</b>					
88	<b>Additional Post-Retirement Contribution</b>	\$ 17,821	\$ 17,821	\$ 1	\$ 17,821	\$ -
89	<b>Agency Services G&amp;A (excludes direct project support)</b>	\$ 53,949	\$ 52,662	\$ 1,286	\$ 54,256	\$ (308)
90	<b>BPA Internal Support Sub-Total</b>	\$ 71,770	\$ 70,483	\$ 1,287	\$ 72,077	\$ (308)
91	<b>Bad Debt Expense</b>	\$ 3	\$ -	\$ 3	\$ 1	\$ 2
92	<b>Other Income, Expenses, Adjustments</b>	\$ 719	\$ -	\$ 719	\$ 719	\$ -
93	<b>Non-Federal Debt Service</b>					
94	<b>Energy Northwest Debt Service</b>					
95	COLUMBIA GENERATING STATION DEBT SVC	\$ 96,880	\$ 100,172	\$ (3,292)	\$ 96,929	\$ (49)
96	WNP-1 DEBT SVC	\$ 234,800	\$ 249,288	\$ (14,488)	\$ 235,440	\$ (640)
97	WNP-3 DEBT SVC	\$ 170,691	\$ 175,817	\$ (5,126)	\$ 171,177	\$ (486)
98	EN RETIRED DEBT	\$ -	\$ -	\$ -	\$ -	\$ -
99	EN LIBOR INTEREST RATE SWAP	\$ -	\$ -	\$ -	\$ -	\$ -
100	<b>Sub-Total</b>	\$ 502,371	\$ 525,277	\$ (22,905)	\$ 503,546	\$ (1,175)
101	<b>Non-Energy Northwest Debt Service</b>					
102	TROJAN DEBT SVC	\$ -	\$ -	\$ -	\$ -	\$ -
103	CONSERVATION DEBT SVC	\$ 2,610	\$ 2,377	\$ 233	\$ 2,610	\$ -
104	COWLITZ FALLS DEBT SVC	\$ 11,595	\$ 11,709	\$ (114)	\$ 11,516	\$ 79
105	NORTHERN WASCO DEBT SVC	\$ 1,927	\$ 2,224	\$ (296)	\$ 1,927	\$ -
106	<b>Sub-Total</b>	\$ 16,133	\$ 16,309	\$ (176)	\$ 16,053	\$ 79
107	<b>Non-Federal Debt Service Sub-Total</b>	\$ 518,504	\$ 541,586	\$ (23,082)	\$ 519,599	\$ (1,095)
108	<b>Depreciation</b>	\$ 126,500	\$ 127,560	\$ (1,060)	\$ 125,100	\$ 1,400
109	<b>Amortization</b>	\$ 92,478	\$ 86,767	\$ 5,711	\$ 93,003	\$ (525)
110	<b>Total Operating Expenses</b>	\$ 2,250,186	\$ 2,305,204	\$ (55,018)	\$ 2,287,060	\$ (36,874)
111						
112	<b>Other Expenses</b>					
113	Net Interest Expense	\$ 205,288	\$ 221,546	\$ (16,259)	\$ 209,302	\$ (4,015)
114	Interest credit adjustment (removes nonSlice cost pool interest credit included in i	\$ -	\$ (1,216)	\$ 1,216	\$ -	\$ -
115	LDD	\$ 32,241	\$ 32,944	\$ (703)	\$ 32,077	\$ 164
116	Irrigation Rate Discount Costs	\$ 19,305	\$ 19,305	\$ (0)	\$ 19,305	\$ (0)
117	<b>Sub-Total</b>	\$ 256,834	\$ 272,579	\$ (15,745)	\$ 260,684	\$ (3,850)
118	<b>Total Expenses</b>	\$ 2,507,020	\$ 2,577,783	\$ (70,764)	\$ 2,547,744	\$ (40,725)
119						

# Composite Cost Pool True-Up Table

		Q3 Forecast	FY 2013 Rate Case Forecast	Q3 - FY 2013 Rate Case Difference	Q2 Forecast	Q2 - Rate Case Difference
		(\$000)	(\$000)	(\$000)	(\$000)	(\$000)
120	<b>Revenue Credits</b>					
121	Generation Inputs for Ancillary, Control Area, and Other Services Revenues	\$ 140,828	\$ 131,078	\$ 9,751	\$ 142,432	\$ (1,603)
122	Downstream Benefits and Pumping Power revenues	\$ 16,770	\$ 14,438	\$ 2,332	\$ 16,838	\$ (68)
123	4(h)(10)(c) credit	\$ 88,177	\$ 95,847	\$ (7,669)	\$ 86,649	\$ 1,529
124	Colville and Spokane Settlements	\$ 4,600	\$ 4,600	\$ -	\$ 4,600	\$ -
125	Energy Efficiency Revenues	\$ 7,200	\$ 11,500	\$ (4,300)	\$ 9,675	\$ (2,475)
126	Miscellaneous revenues	\$ 4,349	\$ 3,420	\$ 929	\$ 4,185	\$ 164
127	Renewable Energy Certificates	\$ 1,163	\$ 2,836	\$ (1,673)	\$ 1,132	\$ 31
128	Pre-Subscription Revenues	\$ 1,570	\$ 1,778	\$ (209)	\$ 1,690	\$ (120)
129	Net Revenues from other Designated BPA System Obligations (Upper Baker)	\$ 347	\$ 397	\$ (50)	\$ 397	\$ (50)
130	WNP-3 Settlement revenues	\$ 33,092	\$ 29,163	\$ 3,929	\$ 33,092	\$ (0)
131	RSS Revenues (not subject to true-up)	\$ 2,611	\$ 2,611	\$ -	\$ 2,611	\$ -
132	Firm Surplus and Secondary Adjustment (from Unused RHEM)	\$ 6,387	\$ 5,827	\$ 559	\$ 6,387	\$ -
133	Balancing Augmentation Adjustment (not subject to true-up)	\$ (6,268)	\$ (6,268)	\$ -	\$ (6,268)	\$ -
134	Transmission Loss Adjustment (not subject to true-up)	\$ 25,266	\$ 25,266	\$ -	\$ 25,266	\$ -
135	Tier 2 Rate Adjustment (not subject to true-up)	\$ 645	\$ 645	\$ -	\$ 645	\$ -
136	NR Revenues	\$ 1	\$ 1	\$ -	\$ 1	\$ -
137	<b>Total Revenue Credits</b>	\$ 326,738	\$ 323,139	\$ 3,600	\$ 329,331	\$ (2,593)
138						
139	<b>Augmentation Costs (not subject to True-Up)</b>					
140	Tier 1 Augmentation Resources (includes Augmentation RSS and Augmentation RSC add)	\$ 12,737	\$ 12,737	\$ -	\$ 12,737	\$ -
141	Augmentation Purchases	\$ 66,155	\$ 66,155	\$ -	\$ 66,155	\$ -
142	<b>Total Augmentation Costs</b>	\$ 78,892	\$ 78,892	\$ -	\$ 78,892	\$ -
143						
144	<b>DSI Revenue Credit</b>					
145	Revenues 340 aMW, 340 aMW @ IP rate	\$ 101,673	\$ 108,309	\$ (6,637)	\$ 101,673	\$ -
146	<b>Total DSI revenues</b>	\$ 101,673	\$ 108,309	\$ (6,637)	\$ 101,673	\$ -
147						
148	<b>Minimum Required Net Revenue Calculation</b>					
149	Principal Payment of Fed Debt for Power	\$ 122,800	\$ 122,800	\$ -	\$ 122,800	\$ -
150	Irrigation assistance	\$ 58,822	\$ 58,822	\$ -	\$ 58,822	\$ -
151	Depreciation	\$ 126,500	\$ 127,560	\$ (1,060)	\$ 125,100	\$ 1,400
152	Amortization	\$ 92,478	\$ 86,767	\$ 5,711	\$ 93,003	\$ (525)
152a	Non-Federal Interest Expense (prepay program)	\$ 7,653	\$ -	\$ 7,653	\$ 7,653	\$ -
152b	Prepayment Credits	\$ (12,750)	\$ -	\$ (12,750)	\$ (12,750)	\$ -
153	Capitalization Adjustment	\$ (45,937)	\$ (45,937)	\$ 0	\$ (45,937)	\$ -
154	Bond Premium Amortization	\$ 185	\$ 185	\$ -	\$ 185	\$ -
155	Principal Payment of Fed Debt exceeds non cash expenses	\$ 13,493	\$ 13,047	\$ 446	\$ 14,368	\$ (875)
156	<b>Minimum Required Net Revenues</b>	\$ 13,493	\$ 13,047	\$ 446	\$ 14,368	\$ (875)
157						
158	<b>Annual Composite Cost Pool (Amounts for each FY)</b>	\$ 2,170,994	\$ 2,238,275	\$ (67,281)	\$ 2,210,001	\$ (39,007)
159						
160	<b>SLICE TRUE-UP ADJUSTMENT CALCULATION FOR COMPOSITE COST POOL</b>					
161	TRUE UP AMOUNT (Difference between Q1 forecast and 2012 Rate Case)	\$ (67,281)			\$ (28,274)	
162	Sum of TOCAs	0.9740799			0.9740799	
163	Adjustment of True-Up when actual TOCAs < 100 percent (divide by sum of TOCAs,	\$ (69,072)			\$ (29,026)	
164	<b>TRUE-UP ADJUSTMENT CHARGE BILLED (26.85407 percent)</b>	\$ (18,549)			\$ (7,795)	



## ***Financial Disclosure***

- The information contained in slides 4-16, 18-27, and 89-107 has been made publicly available by BPA on July 26, 2013 and contains BPA-approved Agency Financial Information.
- The information contained in slides 16-17 and 28-88 has been made publicly available by BPA on July 26, 2013 and does not contain Agency-approved Financial Information.